صكذا من الاصل

Herald INTERNATIONAL Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

The World's Daily Newspaper ** Paris, Monday, September 2, 1996 No. 35,305

TODAY: AVIATION Special Report Pages 13-19

Kohl Joins Chirac on Hopes for Currency

Compiled by Our Staff From Dispatches

BONN — Chancellor Helmut Kohl of Germany and President Jacques Chirac of France on Sunday reaffirmed their intention to join a European single currency on schedule in 1999.

"We are both determined to meet the criteria of the Maastricht treaty without delay," Mr. Kohl said after a meeting. "It is our common goal and we will reach it together."

Mr. Chirac said, "The Germans and the French will be at the same rendezvous at the same time and under the same conditions."

Mr. Chirac also said it was imperative that an agreement be reached ensuring that countries that did not join monetary union in 1999 did not engage in competitive devaluations against the single currency, the euro.

"It is unacceptable to have a devaluation by those who have not joined," he said.

Financial markets have become increasingly worried that France, plagued by a stagnant economy and record unemployment, may be falling behind in its attempts to meet the conditions for a single currency. Germany, too, is having difficulty in meeting the specified limit for its budget deficit.

Mr. Kohl and Mr. Chirac last met at the Group of Seven summit meeting in Lyon in June. The talks Sunday were part of a series of informal meetings between the two leaders.

Officials in both Bonn and Paris had made efforts to curb the impression that the meeting was prompted by the current turmoil on the financial markets.

The market pressures European governments to cut back. Page 11.

The French franc was under pressure last week because of market fears of labor unrest in response to the presentation of the French government's 1997 budget. The franc is also suffering from uncertainties about the monetary union, as officials from several EU countries had expressed doubts about the timetable.

Mr. Chirac, however, repeated Thursday that France would meet the criteria for EMU and would take part in it in 1999.

Echoing the French statement, Ger-

See EMU, Page 7



Michael Jung/Agence France-Presse

Mr. Chirac, left, and Mr. Kohl after talks on monetary union Sunday.

Saddam to Face 'Consequences' For Attack on Kurds, U.S. Vows

Boutros Ghali Postpones Oil Sales by Baghdad

By Brian Knowlton
International Herald Tribune

WASHINGTON — President Bill Clinton's chief of staff said Sunday that the United States would not allow an attack by President Saddam Hussein on Kurds in northern Iraq to go unanswered.

At the same time, the UN secretary-general, Boutros Boutros Ghali, responded to the deteriorating situation in the north by postponing the oil-for-food plan recently agreed on for Iraq.

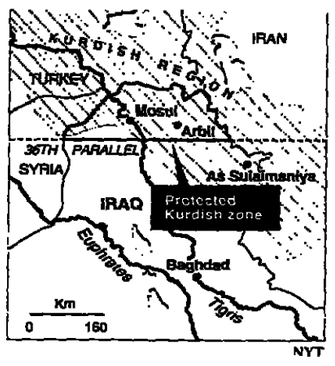
President Clinton called several world leaders Sunday to discuss the situation, the White House said.

"The outcome of these calls was strong agreement that we should work together to fashion the appropriate response," said the White House spokesman, Michael McCurry. He would not say whether a military response was being considered. But more than 20,000 U.S. troops in the region remained on high alert.

As international outrage mounted, there were reports that Mr. Saddam had ordered Iraqi troops to withdraw from the northern "safe haven," which was created after the Gulf War to protect Kurds from attack by Iraqi forces.

There was no immediate confirmation of the reports. Pentagon officials said they had seen no significant movement.

The Iraqi flag was believed still to be flying over the northern town of Arbil, where it was raised by Iraqi troops after they ousted the Kurdish faction based there in house-to-house fighting.



The United Nations had been set to send personnel to Iraq to ensure respect for the UN resolution that was to allow Iraq to sell $2 billion in oil and use the money for food. The program had been strenuously opposed by critics who said that Mr. Saddam has shown himself unworthy of the world's trust.

The weekend offensive raised new questions about the Iraqi leader, said Mr. Clinton's chief of staff, Leon Panetta. "Saddam Hussein continues to remain a threat to his own people and to the region," he said on NBC-TV, "and we have made clear that that is unacceptable." He added, "I don't want to say when or where or what, but we will respond, and we will respond with consequences to Saddam Hussein."

Mr. McCurry said that the leaders called by Mr. Clinton on Sunday "share our concern about Iraqi military activity in northern Iraq."

Mr. Clinton had talked to Prime Minister John Major of Britain and was likely to speak with the leaders of France and Germany, as well as those of Saudi Arabia, Jordan and Egypt, according to administration officials.

Mr. McCurry said that the United States was not "drawing lines in the sand," but that Mr. Saddam's steps in the north were impermissible. "The United States believes that he cannot conduct himself with impunity," he said.

Mr. Clinton on Saturday ordered American troops in the region to a high state of alert. French troops monitoring the flight-exclusion zone from bases in Turkey are also on a heightened state of alert, officials said.

The Iraqi troops intervened Saturday to recapture the town of Arbil, administrative center of the northern zone and a key base of one of the Kurdish groups, the Patriotic Union for Kurdistan. Arbil lies about 20 kilometers (12 miles) north of the 36th Parallel, the southern border of the flight-exclusion zone.

See IRAQIS, Page 7

Soaring Debts Bedevil Nation of Islam

Reality Conflicts Sharply With Farrakhan's Promise of Black Economic Power

By Lorraine Adams
Washington Post Service

WASHINGTON — Since he took over leadership of the Nation of Islam in 1978, Louis Farrakhan has portrayed his religious organization as a catalyst for black economic power and a symbol of hope for the inner-city poor who follow him.

In speeches and advertisements promoting companies owned by Nation and their products, he has urged followers to support black-owned ventures and break their dependence on whites.

Just last week, in a news conference at the Nation-owned Salaam Restaurant in Chicago, Mr. Farrakhan promised to build schools, factories and banks to revitalize black communities if the U.S. Treasury Department allowed him to accept $1 billion in aid and a $250,000 humanitarian award from the Libyan leader, Colonel Moammar Gadhafi.

The request was denied, but Mr. Farrakhan, who flew to Libya for the award ceremonies, called Colonel Gadhafi a "brother" as he turned down the money and vowed to protest the decision.

(The White House chief of staff, Leon Panetta, said Sunday that American authorities would take action against Mr. Farrakhan over his trip to Libya, Agence France-Presse reported. "Clearly, enforcement action will be taken against him," Mr. Panetta said in an interview with NBC. But he declined to specify what measures Mr. Farrakhan faced for violating a ban on travel to Libya for the second time.)

A review of the Nation's business dealings under Mr. Farrakhan's leadership offers another possible reason why a large infusion of money could be so important. The Nation and a variety of businesses and properties linked to it are beset by financial problems.

They have accumulated a 10-year record of debt and troubled management that is in sharp contrast with Mr. Farrakhan's stated goal of black economic empowerment, records show.

The records suggest that these money-management problems run much deeper than the typical woes of a religious organization whose financial affairs and growth are limited by the generosity of its followers.

In the Nation's case, new debts have been incurred while old ones went unpaid. Expensive properties have been bought while tax bills on others fell years behind.

Creditors' efforts to collect on long-overdue debts often have been met with inaction or resistance, according to interviews and an extensive examination of real estate and tax records.

Typically, Mr. Farrakhan announces an ambitious development effort and contractors and suppliers begin work on the project. When they submit bills, some are paid only in part, and after a period of trying to collect, file suit.

The Nation, or a subsidiary entity, is often difficult to serve with a lawsuit and when served, often does not respond. Eventually, default judgments are entered, but they often have gone unpaid, or are only partly paid.

Mr. Farrakhan and other Nation officials did not respond to numerous requests for interviews. Rufus Cook, a Chicago lawyer who has represented the Nation for years and is now preparing litigation challenging the Treasury Department's decision on the Libyan gift, said it would be unfair to draw conclusions about the Nation's business enterprises based on early struggles.



Lino Mirgeler/The Associated Press

Louis Farrakhan receiving his award at the ceremony in Tripoli.

"The Nation of Islam consists of a lot of components," he said. "To point to any particular component of its operation and say this didn't go well and that didn't go well is not really fair.

"Part of the mission of the Nation is to inculcate a sense of entrepreneurship and a sense of independence among blacks. For many reasons, engaging in entrepreneurial enterprises has not been

See ISLAM, Page 7

Colombia Strikes Back After Raids By Rebels

Compiled by Our Staff From Dispatches

BOGOTA — President Ernesto Samper vowed Sunday that there would be no dialogue with rebels who unleashed a nationwide offensive that took nearly 100 lives in two days of fighting beginning late Friday.

It was the most extensive leftist rebel action in more than three decades of guerrilla war and a humiliating defeat for the army.

Colombia's military was on high alert nationwide after the attacks on government targets in 11 of the country's 30 departments.

The military opened a counteroffensive in the southwest jungle Sunday after an attack on an army base there in which at least 34 soldiers were killed.

The authorities attributed the rebel offensive to two communist guerrilla organizations, the Revolutionary Armed Forces of Colombia and the National Liberation Army.

Military officials said the attacks were in response to the government's efforts to suppress cocaine trafficking and eradicate illicit crops such as coca, which is used to make cocaine, and poppies, from which heroin is made. The officials asserted that rebel organizations derived much of their financing from drug trafficking.

Before the offensive, the two rebel groups had showed signs of being willing to negotiate a peace agreement.

Speaking at a cultural event in the Uraba region near the border with Panama, Mr. Samper said that "the lamentable events we have experienced in the last 24 hours prove that barbarism has no limits."

"At this time there is neither a climate nor an outlook for dialogue or contacts," the president said.

He said the rebels were mistaken if they believed that terrorist acts would destroy public confidence in the government's effort to eradicate the growing of coca and poppies in the south.

The army issued a partial toll Sunday of the wave of violence: at least 92 people killed, 32 wounded and 38 missing. The toll was lower than reported the previous day — at least 95 killed — but officials stressed that the count was continuing.

Rebels attacked Bogota and 25 other cities and towns. Most of the attacks occurred in isolated areas.

A senior military official said the counteroffensive was taking place near the burned-out Las Delicias military base in Putumayo Province, about 800 kilometers (500 miles) south of Bogota on the banks of the Caqueta River.

The base was overrun Friday evening by rebels of the Revolutionary Armed Forces of Colombia. There were unconfirmed reports in Colombian newspapers on Sunday that at least 54 soldiers had been killed at Las Delicias and that more than 25 others had been taken prisoner by the rebels.

The military official said that army reinforcements flown into Putumayo early Sunday had been ordered to conduct search-and-destroy missions throughout the province. The troops engaged in several firefights with guerrillas early in the day but there was no immediate report on casualties, the official said. *(AFP, Reuters)*

Democrats Smell Roses and a 2d Term as Campaign Begins

By David S. Broder
Washington Post Service

CHICAGO — It won't be a Rose Garden campaign, but Democrats have no trouble seeing a rosy ending to Bill Clinton's bid to become the party's first president in 60 years to win a second term.

In fact, the challenge his campaign managers faced as they came out of their convention here was to avoid overconfidence. So they were talking about how tough it will be to keep Bob Dole and the Republicans from winning the White House and running Washington for the next four years.

"It's not going to be easy," said Harold Ickes, White House deputy chief of staff and political strategist. "I've always thought it would be a 2- or 3- or 6-point margin, and that's what it will be." His deputy, the assistant to the president for political affairs, Douglas Sosnik, added: "We know the polls will tighten."

But after a harmonious convention and the train- and bus-trip previews of the fall campaign that demonstrated President Bill Clinton's prowess as a candidate, Democrats are looking for a big Election Day.

Dick Morris may be gone, but his campaign plan for Bill Clinton remains. Page 3.

Before the reported sex scandal forced the sudden resignation of Dick Morris, the consultant on Mr. Clinton's latest comeback, Mr. Morris was telling people that the pieces were in place for a landslide victory that would restore Democrats to majority status in the House and Senate as well.

Few of the remaining operatives are that confident, especially when it comes to control of Congress. But interviews with Clinton campaign officials and Democrats from key states frame a picture of a fall strategy that could — barring mishap — launch Mr. Clinton into a second term.

The Morris story — exploding on the final day of the convention — served as a reminder that Mr. Clinton has been accident-prone throughout his political career, and never more so than when everything seemed to be going well. The investigations of Mr. Clinton's Whitewater real estate dealings and the White House possession of FBI files pose a continuing threat that people better-known to the public and closer to the president could cause him problems in the coming weeks.

But Democrats say they have four solid reasons for optimism:

While the addition of Jack Kemp to the Dole ticket solidified the Republican base, the San Diego convention succeeded only in sidestepping the alarms raised by the Republican Congress, not scrubbing its reputation. Democrats say their polls show that even after San Diego, Mr. Dole is seen as an out-of-touch elder statesman, pushing a tax-cut plan the country knows it cannot afford.

See DEMOCRATS, Page 3

Yeltsin's Health: A Kremlin Secret

By David Hoffman
Washington Post Service

MOSCOW — On the weekend before the final round of the Russian election, President Boris Yeltsin canceled his Kremlin appearances and retreated to Barvikha, a government resort for the elite in a village outside Moscow. "The president is in good form," announced his press secretary, Sergei Medvedev, who added that Mr. Yeltsin had lost his voice.

The reality was different. A campaign camera crew visiting Barvikha to tape Mr. Yeltsin's pre-election address to the nation found him pale and weak, according to a Russian political source. He was breathing heavily. He could barely get through the speech, which had to be taped three times. One of those who saw him told colleagues in Moscow: "The grandfather is in bad shape."

The videotape from Barvikha was heavily edited before it was broadcast July 1, and the "grandfather" went on to win re-election. Most of Russia knew little about his medical problems, except that he had once again dropped out of sight. To this day, Russians have not been told how ill he was that weekend, nor how ill he has been since.

Mr. Yeltsin's health has again become a riddle reminiscent of the time when Leonid Brezhnev was sick for years but the public was left guessing about his condition. The Kremlin has resorted to old-style propaganda tricks to hide Mr. Yeltsin's condition, including heavy editing of video footage — in one case cropping white-coated doctors out of a key picture — or issuing misleading statements to explain Mr. Yeltsin's unexpected absences.

The truth about Mr. Yeltsin's health is important not only because he is at the helm of an enormous country in a precarious state of transition, but also because his condition may trigger yet another leadership struggle.

Should he die or be incapacitated, the constitution provides that he would be temporarily followed by Prime Minister Viktor Chernomyrdin and that elections would be held within three months. Already, there are signs of an incipient contest for post-Yeltsin power among Mr. Chernomyrdin; Alexander Lebed, the national security chief, and Yuri Luzhkov, the mayor of Moscow.

The Kremlin has never made public details of Mr. Yeltsin's medical con-

See YELTSIN, Page 7

Newsstand Prices			
Andorra	10.00 FF	Lebanon	LL 3,000
Antilles	12.50 FF	Morocco	16 Dh
Cameroon	1,600 CFA	Qatar	10.00 Rials
Egypt	£E 5	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10.00 R.
Gabon	1100 CFA	Senegal	1,100 CFA
Greece	350 Dr.	Spain	225 PTAS
Italy	2,800 Lire	Tunisia	1,250 Din
Ivory Coast	1,250 CFA	U.A.E.	10.00 Dirh
Jordan	1,250 JD	U.S. Mil. (Eur.)	$1.20

AGENDA

Mexican Leader Vows All-Out Fight

President Ernesto Zedillo, in his second State of the Nation address Sunday, condemned political violence by a new leftist rebel force as "terrorism" and pledged to fight it with "the full force of the State."

"We Mexicans do not accept the appearance of bloody and outdated uprisings that attempt to impose their intolerant will on the country," Mr. Zedillo said. "We do not accept the appearance of groups that use terrorism to murder and destroy."

Mr. Zedillo, his voice breaking with emotion as he spoke, vowed that government forces would hunt down the rebels of the Popular Revolutionary Army, which launched attacks on Aug. 28 in several states, leaving at least 14 people dead. (Page 3)

PAGE TWO *Africa's Elder Statesman Reflects*

THE AMERICAS Page 3. *Computer Profiling for Airports?*

ASIA Page 4. *China Tries a Gentler Tone*

EUROPE Page 5. *Anti-Dayton Plank Woos Serb Votes*

INTERNATIONAL Page 6. *Cautious Approval on Chechnya*

Russian NATO Talks

BONN (Reuters) — Foreign Minister Klaus Kinkel of Germany was quoted Sunday as saying Russia was ready to intensify talks with the North Atlantic Treaty Organization on an eastward enlargement of the alliance.

Books ..... Page 10.
Crossword ..... Page 10.
Opinion ..... Page 9.
Sports ..... Pages 24-26.

Tanzania's Nyerere Looks Back / **Bringing a Nation to Life**

Many Failures, and One Big Success

By James C. McKinley Jr.
New York Times Service

BUTIAMA, Tanzania — To visit the man they call Africa's elder statesman, you have to fly in a propeller plane to the small port of Musoma on Lake Victoria, then drive 30 miles over a dirt road past mud-walled cabins, goats and children in rags, up a lane lined with flowering jacaranda trees, until you come to a one-story house on a rocky outcropping above the village of Butiama.

Julius Nyerere, the president who led Tanzania from independence until 1985, is out behind the house, whacking at brambles and brush with a sickle. In his rubber boots and cloth hat, he could be mistaken for the gardener.

"I really prefer doing things with my own hands," he said. "It's very relaxing for people like myself who deal with politics, ideas and so forth. You know, it's a great help if you can dirty your hands in some soil."

The trip to Butiama is a pilgrimage many powerful officials from the West and from other African nations have been making recently, since Mr. Nyerere emerged from semi-retirement in February to mediate the dispute between Hutu and Tutsi leaders next door in Burundi.

The 74-year-old politician is the main architect and driving force behind the trade embargo East African leaders imposed on Burundi in early August to punish Tutsi military and political leaders after they seized power in a coup in July.

Mr. Nyerere received some recent visitors in his garden gazebo.

Around him, several of his 24 grandchildren played tag among traditional grain bins he built there — conical huts with grass roofs, full of millet. Gray monkeys scampered around, playing hide and seek with the children.

In an hourlong interview, Mr. Nyerere reflected on his long career in public life, his place in history, his failures, and what he sees as his one success — forging the nation of Tanzania from a far-flung collection of tribes with little in common. These days, despite the steady stream of visitors who have come to talk about Burundi or to seek advice on Tanzanian problems, he prefers farming to politics. He spends most days on his 90-acre farm, planting corn and millet, tilling the soil.

It was in this same village, Butiama, that he was born seven decades ago, the son of Nyerere Burito, who was the local chief of the Zanake tribe.

The chief had 22 wives, and Mr. Nyerere was one of two dozen children in the family compound. He was not the oldest boy, nor was he the son of the first wife, so he was never favored to become a chief. That honor eventually passed to an older half-brother, Edward Wanzagi.

Instead, he herded cattle in the verdant valleys, among the spectacular jumbled granite outcroppings jutting up from the land. He dreamed of going to school.

"In a sense I am a very rural person," he said. "I grew up here, and Dar es Salaam was a duty. I did my duty and after retiring in 1985 I came back here and said, 'Ah, it's good to be back.' "

As he said this, he stretched out his arms wide and smiled, and his eyes exuded a mischievous merriment.

Then the smile faded. "But what can you do, such is life," he said. "Some other things have to be done."

His older brother persuaded Chief Burito to let young Julius go to a British boarding school in Musoma. The British had offered a free education to the sons of chiefs. The decision changed Tanzanian history.

A keen student, Mr. Nyerere eventually received an undergraduate degree from Makerere University in Uganda and a master's from the University of Edinburgh in Scotland.

He taught school for years, which is why his countrymen still call him *Mwalimu*, the Swahili word for teacher.

In the 1950s, he got into politics while teaching at a Catholic school a few miles outside the colonial capital, Dar es Salaam.

In 1954, he became president of the Tanganyika African National Union, the party that led Tanganyika (the name of the country before it united with the island of Zanzibar) to independence from Britain in 1961. He was elected the first president in 1962.

Mr. Nyerere had inherited a dirt-poor country with fewer than 120 university graduates, scant resources and only one exportable crop — sisal, which is made into rope. Searching for a path to development, he turned to socialism and borrowed heavily from the Chinese model.

In 1967, he issued the Arusha Declaration, proclaiming socialism and self-reliance as Tanzania's twin goals. He nationalized most industries and land and pulled Tanzania's widely scattered people into cooperative farming villages, known as *ujaama*, which were meant to meld traditional African tribal government with modern socialism.

Mr. Nyerere became a favorite among liberals in Western capitals, as well as in Beijing and Moscow. The United States and Europe pumped billions of dollars into Tanzania.

BY THE early 1980s, however, it was clear that his economic policies had been a colossal failure. The transportation system lay in ruins, crop production was stagnant and industries were limping along at half their capacity.

The jails were full of dissidents. It was as if all incentives for people to work hard or start businesses had been erased.

But he did keep the peace for 30 years while other African countries in the region descended into chaos. He also made major gains in education and health.

He finally stepped down in 1985, becoming one of Africa's few presidents to give up power voluntarily and hand it over to a constitutionally chosen successor — Ali Hassan Mwinyi.

In his farewell speech, he said: "I failed. Let's admit it."

Now, he said, he would do many things differently if he were allowed to turn back the clock. But his core belief in socialism remains unshaken.

"I would still write the Arusha Declaration," he said. "I believe in it. It is right."

He acknowledges that socialism never mixed well with the traditional ways of African villages.

It is possible, he said, to have farmers own a tractor in common, or to cooperate in buying fertilizer or selling grain. But he said that in hindsight it was a grave mistake to collectivize the individual farms, or *shambas*, that families had owned for generations.

"You can socialize what is not traditional," he said. "The shamba can't be socialized."

It was also a mistake, he said, to nationalize sisal and other industries.

But he defends pulling the people together into larger ujaama villages. It was the right thing to do, he said, if only to make the most of the schools, roads and health clinics his government had built.

Mr. Nyerere said his greatest failure was that although he managed to form a federation with Zanzibar in 1964 to create Tanzania, he never managed to persuade neighboring countries to form a larger federation, a move he believes would have made the region a powerhouse.

"I felt that these little countries in Africa were really too small, they would not be viable — the Tanganyikas, the Rwandas, the Burundis, the Kenyas," he said.

"My ambition in East Africa was really never to build a Tanganyika. I wanted an East Africa federation.

"So what did I succeed in doing?" he asked. "My success is building a nation out of this collection of tribes."

Mr. Nyerere said he was sanguine about the future of democracy in the region. "A new leadership is developing in Africa, especially this part of Africa," he reflected. "The military phase is out. I think the single-party phase is out."



James C. McKinley Jr./The New York Times

Julius Nyerere, Tanzania's former president, showing off a storage shed in Butiama. "My success is building a nation out of this collection of tribes," he says.

DUTY FREE ADVISORY

Via Abu Dhabi or Al Ain

US$36,000,000

HARD CASH

The World's Greatest Duty Free Raffle

US$138.000 paid out at each draw. US$36 Million won so far. In the world-famous Abu Dhabi/Al Ain Duty Free raffle. Each ticket priced at US$138. Just 1,200 tickets entered in each draw. Approximately 8 draws every month. Available exclusively to passengers travelling or transiting through the Abu Dhabi and Al Ain Airports. Notification immediately by phone and by mail. Money paid in cash, by banker's cheque or directly into the winner's bank account. US$36,000,000 hard cash. The easy way.

AL AIN Airport Duty Free

Abu Dhabi Airport Duty Free

TRAVEL UPDATE

Portugal Trains Stay Idle

LISBON (Reuters) — Portuguese international and intercity trains were halted Sunday for the third successive day by a strike called by engineers to press demands for better working conditions.

The CP railroad company used buses to take Paris-bound travelers to the Spanish frontier. Passengers headed to Madrid were taken all the way by bus.

Beijing-Hong Kong Link

BEIJING (Reuters) — The East Wind No. 4 locomotive chugged out the West Railway Station on Sunday, inaugurating a direct rail link between Beijing and Hong Kong.

The 2,350-kilometer (1,400-mile) line from Beijing to the Chinese border town of Shenzhen was built over three years and cost $4.8 billion. The trip takes about 40 hours.

The 47-country European Task Force of Medical Associations will call Monday for a ban on smoking on all flights that use European airports. *(Reuters)*

Hurricane warnings were in effect Sunday for coastal areas of Rhode Island and Massachusetts as a storm with winds of 115 miles per hour moved toward land. *(AFP)*

This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Bermuda, Canada, Luxembourg, Puerto Rico, Slovakia, United States, Virgin Islands.
TUESDAY: Qatar, San Marino.
FRIDAY: Pakistan, Swaziland.
SATURDAY: Pakistan.

Sources: J.P. Morgan, Reuters, Bloomberg.

The Elizabeth, a 247-room stylish boutique hotel in Orchard Road, Singapore.

the Elizabeth
A Member of Far East Organization

☆ For Reservations ☆
Fax : (65) 732 3866

To our readers in Vevey/Montreux area

Hand delivery of the IHT is now available on day of publication. Just call us toll free at 155 57 57.

Russians Poach On Crash Site

The Associated Press

LONGYEARBYEN, Norway — The cockpit voice recorder from a Russian airliner that crashed last week was found by a two-member Russian team that briefly searched the Arctic mountain site in defiance of Norwegian orders, officials said Sunday.

All 141 people aboard the Tupolev-154 died in the crash Thursday on Norway's Spitzbergen Island.

The two Russians were arrested near the scene Saturday but released Sunday.

UNIVERSITY DEGREE
BACHELOR'S • MASTER'S • DOCTORATE
For Work, Life and Academic Experience
Through Convenient Home Study
(808) 597-1909 EXT. 23
FAX: (310) 471-6456
HTTP: / /WWW.PWU.COM
Fax or send detailed resume for
FREE EVALUATION
Pacific Western University
1210 Auahi Street, Dept. 23
Honolulu, HI 96814-4922

WEATHER

Forecast for Tuesday through Thursday, as provided by AccuWeather.



North America
The middle of the week will bring cooler air to the Northwest. The midsection of the United States will see a few thunderstorms as warmer, more humid air moves up from the Gulf of Mexico. Sunny and warm in the Northeast. Hot and humid in the Southeast with a few thunderstorms.

Europe
London, Amsterdam and Paris will have some sunshine and milder weather Tuesday through Thursday with afternoon readings near to a bit above normal. Cloudy and cooler across Poland with a few showers. Southern France will also be cloudy and cool, and there may be heavy rains.

Asia
Beijing will be sunny and nice Tuesday, then cooler with showers Wednesday and Thursday. Warm and humid in Tokyo with a few showers. Heavy rains will continue in eastern Tibet, northern Myanmar and south central China. Heavy downpours are likely near Xiamen.

Europe

	Today High C/F	Today Low/W C/F	Tomorrow High C/F	Tomorrow Low/W C/F
Algarve	28/79	16/61 pc	28/79	16/61 pc
Amsterdam	18/64	12/53 s	24/75	16/61 pc
Athens	28/79	8/46 pc	29/77	7/44 pc
Athens	28/82	21/70 s	30/86	22/71 pc
Barcelona	17/62	11/52 pc	21/70	14/57 pc
Belgrade	25/77	14/57 c	26/79	15/59 pc
Berlin	21/70	13/55 c	23/73	14/57 s
Brussels	18/64	12/53 pc	23/73	16/61 pc
Budapest	25/77	14/57 c	25/77	13/55 pc
Copenhagen	20/68	13/55 s	22/71	13/55 s
Costa Del Sol	24/75	15/59 pc	26/79	17/62 pc
Dublin	19/66	14/57 c	23/73	17/62 pc
Edinburgh	21/70	14/57 r	24/75	15/59 s
Florence	22/71	14/57 r	27/80	15/59 r
Frankfurt	22/71	12/53 s	23/73	13/55 s
Geneva	17/62	11/52 sh	23/73	12/53 r
Helsinki	21/70	11/52 pc	17/62	6/43 pc
Istanbul	24/75	18/61 pc	25/77	17/62 pc
Las Palmas	23/73	18/64 pc	22/73	18/64 pc
Lisbon	25/79	15/59 s	24/75	14/57 pc
London	21/70	13/55 pc	25/77	17/62 pc
Madrid	24/75	8/46 pc	27/80	11/52 pc
Mallorca	16/61	13/55 pc	19/66	15/59 pc
Milan	19/66	14/57 sh	25/77	16/61 r
Moscow	28/79	15/59 t	27/73	13/55 s
Munich	15/59	10/50 r	21/70	12/53 pc
Nice	20/68	16/61 sh	24/75	18/64 r
Oslo	22/71	14/57 pc	19/66	9/48 pc
Paris	18/64	9/48 pc	23/73	13/55 pc
Prague	18/61	12/53 r	22/71	12/53 pc
Reykjavik	12/53	7/44 c	12/53	11/52 r
Rome	24/75	18/64 pc	28/82	18/64 r
St. Petersburg	24/75	14/57 s	19/66	8/46 pc
Stockholm	19/66	13/55 pc	17/62	6/43 pc
Strasbourg	21/70	13/55 c	24/75	14/57 r
Tallinn	21/70	12/53 pc	17/62	6/43 pc
Venice	21/70	15/59 t	25/77	16/61 r
Vienna	22/71	13/55 r	23/73	14/57 pc
Warsaw	28/79	12/53 c	22/71	11/52 pc
Zurich	18/64	13/55 r	23/71	13/55 r

Middle East

Abu Dhabi	37/98	23/73 s	38/100	24/75 s
Beirut	27/80	19/66 s	25/77	19/66 s
Cairo	34/93	19/66 s	33/91	19/66 s
Damascus	31/88	12/53 s	29/84	14/57 s
Jerusalem	27/80	13/55 s	26/79	14/57 s
Luxor	39/102	21/70 s	39/102	19/66 s
Riyadh	39/102	25/78 s	43/107	24/75 s

North America

	Today High C/F	Today Low/W C/F	Tomorrow High C/F	Tomorrow Low/W C/F
Anchorage	18/61	8/43 s	17/62	8/46 pc
Atlanta	29/84	20/68 t	31/88	21/70 pc
Boston	22/71	15/59 r	27/80	20/68 pc
Chicago	23/73	18/64 pc	28/84	18/64 pc
Dallas	33/89	20/68 pc	33/91	20/68 pc
Denver	29/82	12/53 pc	32/89	14/57 s
Detroit	29/84	18/64 s	29/84	18/64 pc
Honolulu	33/91	24/75 s	33/91	24/75 pc
Houston	33/89	21/70 pc	33/91	21/70 pc
Los Angeles	30/86	16/61 s	29/84	15/59 pc
Miami	33/91	26/79 pc	33/91	25/77 pc
Minneapolis	28/82	16/61 t	28/82	18/64 pc
Montreal	27/80	19/66 pc	31/88	21/70 pc
Nassau	32/89	24/75 pc	32/89	24/75 pc
New York	27/80	21/70 pc	29/84	22/71 pc
Orlando	32/89	22/71 pc	35/95	23/73 pc
Phoenix	41/106	28/82 s	39/102	27/80 s
San Fran.	24/75	13/55 s	23/73	13/55 pc
Seattle	23/73	11/52 pc	19/66	8/46 pc
Toronto	25/77	19/66 pc	29/84	18/64 pc
Vancouver	18/64	8/46 r	12/53	7/44 pc
Washington	31/88	21/70 s	31/88	23/73 pc

Asia

	Today High C/F	Today Low/W C/F	Tomorrow High C/F	Tomorrow Low/W C/F
Bali	32/89	23/71 s	31/88	22/71 pc
Bangkok	33/91	24/75 t	33/91	24/75 t
Beijing	27/80	17/62 r	33/73	18/61 r
Bombay	28/84	23/73 c	29/84	23/73 c
Calcutta	31/88	24/75 r	31/88	24/75 c
Chiang Mai	33/91	23/73 t	33/91	22/71 t
Colombo	29/84	24/75 pc	28/82	23/73 pc
Hanoi	32/89	26/79 pc	32/89	26/79 pc
Ho Chi Minh	33/91	24/75 t	32/89	24/75 t
Hong Kong	30/86	25/77 pc	29/84	25/77 pc
Islamabad	43/107	27/80 s	39/102	25/79 s
Jakarta	31/88	23/73 t	31/88	23/73 c
Karachi	30/86	23/73 pc	31/88	23/73 pc
K. Lumpur	31/88	23/73 t	31/88	23/73 t
K. Kinabalu	29/84	23/73 t	28/82	22/71 sh
Manila	32/89	24/75 pc	31/88	24/75 pc
New Delhi	35/100	27/80 pc	34/93	26/79 t
Phnom Penh	31/88	24/75 c	31/88	24/75 c
Phuket	33/91	24/75 t	33/91	24/75 t
Rangoon	33/91	24/75 t	33/91	24/75 t
Seoul	30/86	18/64 s	29/84	18/64 pc
Shanghai	28/82	21/70 s	28/82	21/70 s
Singapore	29/84	23/73 t	29/84	22/71 sh
Taipei	30/86	24/75 t	30/86	24/75 sh
Tokyo	29/84	19/66 c	28/79	17/62 pc
Vientiane	31/88	23/73 pc	32/89	21/70 pc

Africa

Algiers	24/75	14/57 pc	22/71	16/61 pc
Cape Town	13/55	3/37 pc	13/55	6/44 pc
Casablanca	23/73	16/61 pc	19/66	13/55 pc
Harare	23/73	13/55 r	26/79	13/55 r
Lagos	26/82	23/71 pc	27/80	22/71 c
Nairobi	24/75	14/57 t	22/71	13/55 r
Tunis	29/84	23/73 t	29/84	20/68 pc

Latin America

Buenos Aires	13/55	3/37 s	12/53	-3/27 r
Caracas	29/84	19/66 pc	30/86	19/66 pc
Lima	18/64	14/57 c	18/64	15/59 pc
Mexico City	25/77	14/57 pc	24/75	14/57 pc
Rio de Janeiro	27/80	15/59 t	23/73	18/64 pc
Santiago	16/61	0/32 pc	7/44	-3/27 r

Oceania

Auckland	16/61	13/55 r	19/66	12/53 r
Sydney	18/64	8/48 s	18/61	8/46

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, Ice, W-Weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1996

Cater to your client's every whim from a sidewalk in Paris.



Sprint. The way to get anything done from anywhere.

To call, just dial the access number for the country you're visiting. In no time at all, you'll be connected to an English-speaking Sprint Operator or an automated voice prompt. It's that simple.

COUNTRIES	ACCESS NUMBERS	COUNTRIES	ACCESS NUMBERS	COUNTRIES	ACCESS NUMBERS	COUNTRIES	ACCESS NUMBERS
American Samoa	633-1000	El Salvador	800-1776	Luxembourg	0800-0115	Slovak Republic +	00-42-087-187
Antigua Ω (dedicated phones)	*1**	Fiji Islands	004-890-100-3	Macau	0800-121	South Africa +	0-800-99-0001
Antigua Ω (pay phones)	1-800-366-4663	Finland +	9800-1-0284	Malaysia +	800-0016	Spain	900-99-0013
Argentina	001-800-777-1111	France +	19◆0087	Mexico +	95-800-877-8000	Sweden +	020-799-011
Armenia	8-10-155	Gambia	00155	Micronesia +	555	Switzerland +	155-9777
Aruba Ω	800-5870	Germany +	0130-0012	Monaco +	19◆0087	Syrian Arab Republic +☆	0888
Australia (Optus)	1-800-5511-10	Gibraltar	019900	Netherlands +	06-022-9119	Taiwan	0080-14-0877
Australia (Telstra)	1-800-881-877	Greece +	008-001-411	Netherlands Antilles ☆ (Curacao & Bonaire)+	001-800-745-1111	Thailand	001-999-13-877
Austria +	022-903-014	Guam	950-1366	New Zealand	0-800-760-877	Turkey +	00-800-1-4477
Bahamas +	1-800-389-2111	Guatemala +	195	Nicaragua (Managua)	171	Ukraine	8-100-15
Bahrain	800-777	Honduras ▲	121	Nicaragua (all other)	02-171	United Arab Emirates +	800-131
Barbados +☆	1-800-534-0042	Hong Kong	800-1877	Norway +	800-19877	United Kingdom (BT)	0500-89-0877
Belgium +	0800-10014	Hungary +	00◆800-01-877	Palau +	02-222	United Kingdom (Mercury)	0500-89-0877
Belize (hotels)	556	Iceland +☆	800-9003	Panama	115	Uruguay	000417
Belize (all other) ◇	812	India +	000-137	Paraguay ▲	008-12-800	U.S.A.	1-800-877-8000
Bermuda ☆	1-800-623-0877	Indonesia (Indosat)	001-801-15	Peru	176	U.S. Virgin Islands	1-800-877-8000
Bolivia	0800-2338	Indonesia (Satelindo)	008-801-15	Philippines (ETPI) ◇	105-01	Vatican City +	172-1877
Brazil	000-8016	Ireland +	1-800-55-2001	Philippines (PhilCom) ▲	102-611	Venezuela	800-1111-0
British Virgin Islands	1-800-877-8000	Israel +	177-102-2727	Philippines (PLDT)	105-16	Vietnam (calling centers)	1201-1111
Bulgaria ▲	00-800-1010	Italy +	172-1877	Poland +	00-800-111-3115		
Canada	1-800-877-8000	Jamaica (hotels)	875	Portugal +	05017-1-877		
Cayman Islands	1-800-366-4663	Jamaica Ω	5	Puerto Rico	1-800-877-8000		
Chile	00◆0317	Japan (IDC) +	0066-55-877	Qatar	0800-01-777		
China +	108-13	Japan (KDD) +	0039-131	Romania +	01-800-0877		
Colombia	980-13-0010	Jordan	18-800-777	Russia (Moscow) +	155-6133		
Costa Rica +	0800-012-0123	Kenya ☆	0800-12	Russia (all other) +	8095-155-6133		
Croatia +	99-385-0113	Korea (Dacom) +	0039-12	St. Lucia ◇☆	1-800-277-7468		
Cyprus +☆	080-900-01	Korea (KT) +◆◆	009-16	Saipan (Tinian & Rota) +	7-235-2332		
Czech Republic +	0042-087-187	Korea (Dacom) +‡	550-3425	Saipan (all other)	235-2332		
Denmark +	800-1-0877	Korea (KT) +‡	550-3468	San Marino +	172-1877		
Dominican Republic +▲	1-800-751-7377	Kuwait	800-777	Saudi Arabia	1800-15		
Ecuador	999-171	Liechtenstein +	155-9777	Singapore +	8000-177-177		
Egypt (Cairo) +	356-4777	Lithuania	8◆197				

Certain restrictions apply where country-to-country calling is available. Listing subject to change. For Customer Service call the Sprint Access Number of the country you're in or 1-800-877-4646 while in the U.S. Non-bolded countries allow calls to the U.S., Puerto Rico, U.S. Virgin Islands and Guam only. Bold denotes country-to-country calling availability. Calls to Singapore and Thailand not allowed. ◆ Wait for second tone. + Some phones may require coin or card. ▲ Not available from pay phones. ■◆◆ From pay phones, push red button, wait for tone, then dial "1800". ◇ Global One service is only available from specially-marked phones. ‡ Available at military phones only. Ω Available from airport restrooms only. ☆ Also allows calls to Canada. © 1996 Sprint

Sprint
GlobalOne
Deutsche Telekom · France Telecom · Sprint

Imprimé par Offprint, 73 rue de l'Evangile, 75018 Paris.

هكذا من الأصل

THE AMERICAS

Mexico Leader Condemns 'Terrorists'

He Vows Full Weight of State to Pursue and Fight Insurgents

By Molly Moore and John Ward Anderson
Washington Post Service

MEXICO CITY — President Ernest Zedillo denounced members of a new leftist guerrilla organization Sunday that launched attacks across southern Mexico last week as "terrorists," and he vowed to "pursue every terrorist act with the full force of the law."

"We do not accept the appearance of groups that employ terrorism to murder, destroy and intimidate," Mr. Zedillo, his voice shaking, said in the declaration, which provoked a standing ovation and the only strong emotional response from members of the Congress during his annual state of the union address.

Mr. Zedillo, who had planned to focus his speech on what he considers the country's improving economic picture, was instead forced to confront a guerrilla uprising that many analysts here believe is proving to be more serious than the insurrection by Zapatista rebels on Jan. 1, 1994, in the southern state of Chiapas.

The new rebel group, which is calling for the overthrow of the government, attacked security forces in the southern Pacific coastal state of Oaxaca on Saturday, leaving one guerrilla dead in the latest in a series of coordinated assaults across central and southern Mexico this week.

A total of 15 people, including policemen, military personnel, rebels and two civilians, have died as a result of the clashes.

Mr. Zedillo delivered his speech Sunday from the San Lazaro legislative building against a backdrop of extraordinary security measures throughout the nation's capital because of concern that the guerrilla group would plan a major strike to coincide with the speech.

Security at strategic installations — government office buildings, the airport, main roads, telecommunications centers and electric power facilities — was heavy, in recognition that the guerrilla group is attacking only government targets.

The city's central plaza and key subway stations were also ringed by security forces.

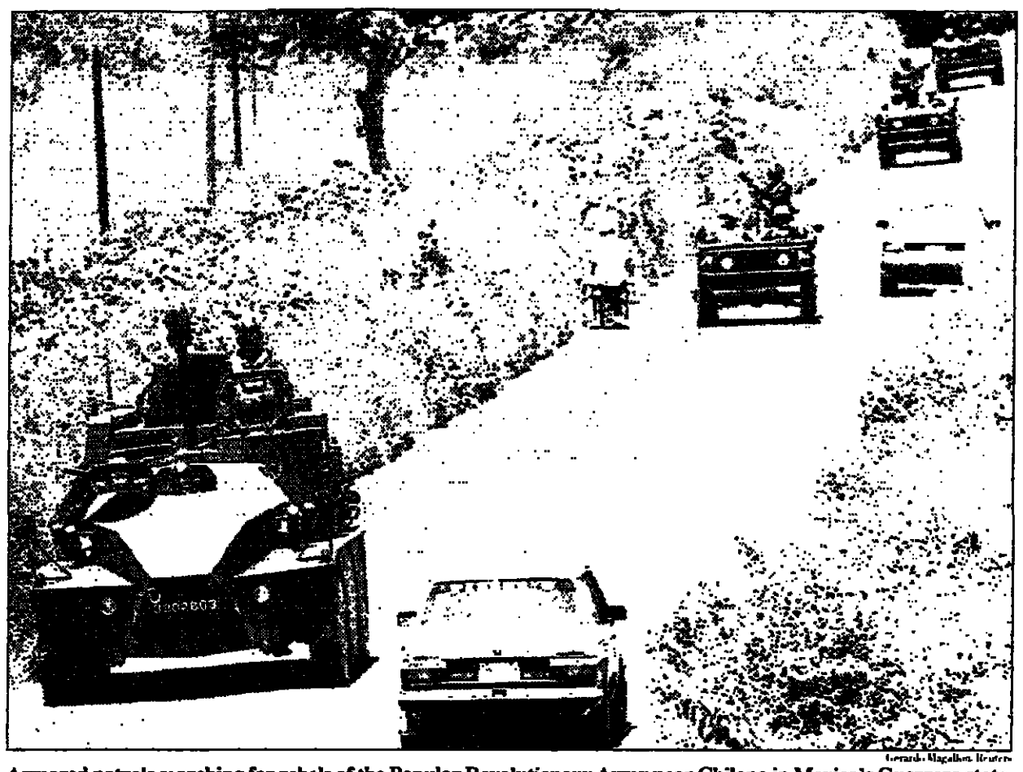
"Just when we are progressing toward real democracy, we will not accept the emergence of outdated and bloody incidents of violence," Mr. Zedillo said. It was his most extensive comments on the guerrillas since their organization, called the Popular Revolutionary Army, or EPR for its initials in Spanish, first appeared two months ago.

Until this week, Mr. Zedillo's government had tried to dismiss the rebels as common bandits or drug traffickers.

Since it first emerged two months ago, the group has embarked on an campaign to escalate the severity its actions gradually — beginning with a symbolic demonstration at a memorial service for slain peasants, then moving to sporadic guerrilla attacks on military convoys, and culminating last week in coordinated strikes at a dozen government and military targets in four states.

Analysts here said that, if the group continued this strategy, the next logical targets would be in urban areas, particularly in the capital, or in the industrial and commercial heartland in northern Mexico, which so far has been spared any guerrilla attacks.

In a recent communiqué, the guerrilla organization pointedly said that it would soon have forces in Cancun, Mexico's most popular luxury beach resort.



Gerardo Magallon, Reuters

Armored patrols searching for rebels of the Popular Revolutionary Army near Chilapa in Mexico's Guerrero state.

Computer Profile System Studied for U.S. Airports

By Roberto Suro
Washington Post Service

WASHINGTON — A presidential commission on aviation security is considering a bomb detection plan that would require U.S. airlines to scrutinize all passengers at U.S. airports, using computer files to identify potential terrorists or other suspicious individuals, senior federal officials say.

If the plan is enacted, the government would require creation of a computer profiling system that would examine passengers' bill-paying records, flying habits and other data to determine which checked baggage should undergo examination by sophisticated explosives detection equipment. Passengers would become aware of the new procedure only if a machine suggested a bomb were in [illegible]age, and it had to be opened.

Several legal issues still need to be resolved, including civil liberties questions such as whether airlines would be given access to information from government computer systems, including criminal records. Nevertheless, a plan combining computer profiling and sophisticated detection is the chief option being presented to the commission by federal agencies and White House staff, senior officials say.

The commission was created by President Bill Clinton in the wake of the July 17 explosion of Trans World Airlines Flight 800, which killed 230 people. The panel, headed by Vice President Al Gore, is due to recommend a plan on Sept. 9 for installing a nationwide explosives detection system.

Under the proposal, the Federal Aviation Administration would establish the criteria for passenger profile databases, but they would be operated by the airlines, probably in connection with reservation systems. Officials said that in addition to civil liberties concerns, a technical challenge is to create a profiling method that would recognize potential threats.

"This is something that if you don't have a bit of an ulcer about it initially, it is because you don't understand the problem," said Cathal L. Flynn, associate FAA administrator for civil aviation security.

The chief advantage of computerized profiling is that it allows the authorities to identify the large majority of passengers who are not suspicious. The kind of equipment sensitive enough to detect most bombs operates too slowly and is too expensive to use on every suitcase.

"Anyone who has thought this through realizes that passenger profiling has to be part of the way we resolve the dilemmas inherent in creating an explosive detection system," said Elaine Kamarck, a senior policy adviser to Mr. Gore. Ms. Kamarck noted that the Customs Service has extensively used computerized profiling to improve inspection procedures at Miami International Airport. Rather than screen all bags and cargo, officials in Miami now use profiling to identify the majority of material that does not merit close scrutiny, such as cargo from regular, well-known shippers. That has allowed a concentration on suspicious cases and, as a result, drug seizures have increased, officials say.

In the wake of the 1988 bombing of Pan Am Flight 103 over Lockerbie, Scotland, Congress passed a law in 1990 requiring installation of a nationwide airport bomb detection system, but several factors have stymied the effort.

So far, only one device has been proposed for certification. That device is the CTX-5000, which uses a combination of rapid computing capacity, X-rays and CAT scans of the sort used in medical diagnosis to locate suspicious objects and then analyze their mass and density. However, the machine has proved too slow to handle the traffic of a major airport, federal officials say.

ELECTION NOTES

Candidates Start The Final Spurt

CHICAGO — The presidential candidates embarked over the Labor Day weekend on a final nine-week frenzy of charges and countercharges, sound bites and debates, in which President Bill Clinton is offering himself as a youthful leader for the next century and Bob Dole is seeking to ride to the White House on the promise of a 15 percent tax cut.

Those distinct messages, polished by speechwriters and tested by focus groups, will be put forth to Americans with a new intensity in the run-up to Election Day on Nov. 5, as the candidates unleash millions of dollars worth of television commercials — and set out on the most hectic, and politically perilous, stretch of the campaign.

After his party's convention, which ended here Thursday, Mr. Clinton's challenge, still, is to hang on to his dominance in the polls, while Mr. Dole hopes to engineer a sharp turnabout by Nov. 5. *(NYT)*

Clinton Has Cyst

WASHINGTON — Mr. Clinton has a benign cyst on the left side of his neck, but it presents no threat to his health, NBC reported over the weekend.

The president wants to wait until after the election to have the cyst surgically removed, the television network said.

There was no immediate confirmation from Clinton campaign officials, who were on a bus tour of the South.

Responding, Christina Martin, a spokeswoman for Mr. Dole, renewed a request that Mr. Clinton, like Mr. Dole, release his medical records. *(AP)*

Arkansas Ghosts

LITTLE ROCK, Arkansas — In a bittersweet homecoming, Mr. Clinton returned to Arkansas for a nostalgic rally Sunday that evoked memories of his 1992 election triumph and the personal woes that followed.

Thousands of supporters planned to file past the Old State House to watch Mr. Clinton speak at the site where he announced his candidacy in 1991 and celebrated his victory 13 months later.

But when he looks out over the crowd, Mr. Clinton can't help but be reminded also of a trail of disgrace and devastation.

Five blocks up is the federal courthouse where the independent prosecutor, Kenneth Starr, has pressed cases against several former Clinton colleagues. To his left is the Rose Law Firm where Hillary Rodham Clinton, Vincent Foster and Webster Hubbell practiced law.

Mr. Hubbell is in jail. Mr. Foster killed himself. Mrs. Clinton has had to testify before a grand jury looking into the Whitewater land deal. *(AP)*

Quote/Unquote

Bob Dole, pledging in his weekly radio address that if elected, he will do more than Mr. Clinton is doing to curb the abuse of illegal drugs: "Instead of remaining silent on the dangers of drugs, I will not be afraid to use the White House bully pulpit to reinforce the crucial moral message against drugs." *(NYT)*

Void in Clinton Campaign

Morris Unlikely to Be Replaced, but His Plan Survives

By Dan Balz
Washington Post Service

DYERSBURG, Tennessee — The strategist Dick Morris may be gone from President Bill Clinton's re-election campaign, but he leaves behind a strategic plan that will guide the president through the rest of the battle against Bob Dole this fall.

Mr. Morris's sudden resignation last week — in the face of accusations that he had a long relationship with a prostitute and secretly let her listen in on conversations with the president — leaves a void in the campaign that will probably not be filled by the arrival of a another strategist.

Instead, say senior advisers to the president, there will be an expansion and reshuffling of responsibilities among people already heavily involved in the campaign.

"All the dies were cast months ago," one administration official said.

"The strategic plan and message were set" before Mr. Morris's departure, the official added.

There has been some speculation in the news media that James Carville, who guided Mr. Clinton's presidential campaign in 1992, might be brought in to fill the void. Mr. Carville still talks regularly with Mr. Clinton and acts as a spokesman for his re-election effort.

But senior officials said they doubted he would come back to the campaign in a senior role, in part because the colorful consultant appears to enjoy his life on the outside and in part because it would be hard to rearrange the campaign team at this stage of the election.

When Mr. Morris resigned, White House and campaign officials tried to play down the significance of his departure by suggesting he was merely one member of a big team. But privately, even those who had differences with him acknowledged that his unique role will not be easily filled.

Mr. Morris provided the conceptual framework for Mr. Clinton's political recovery after the 1994 midterm losses, helped refocus the president politically, played a significant role in the development of the campaign message and constantly provided ideas — many of them discarded — for taking the fight to the Republicans in the campaign.

"He was a source of abundant exuberance in the campaign," a senior administration official said. "He really was creative at thinking up things to put into play."

Mr. Morris was especially important in forcing Mr. Clinton back to his New Democrat roots and in devising a strategy for recasting the image of the Democrats.

In that sense, Mr. Clinton will be running this fall from the Morris playbook, and aides emphasized that the next two months depend much more on executing that plan than on devising a new strategy.



Several campaign and administration officials said that Mr. Morris's ability to keep Mr. Clinton focused on the big themes of his re-election campaign would be missed, but that the loss would have been more significant if he had resigned earlier.

The now-undisputed leader of the president's political team is the deputy White House chief of staff, Harold Ickes, who often clashed with Mr. Morris.

But Mr. Ickes's role as the day-to-day coordinator of the re-election effort will not change as much as will the responsibilities of some others on Mr. Clinton's team.

Besides Mr. Ickes, the White House officials include Mr. Clinton's senior adviser, George Stephanopoulos, and his political director, Doug Sosnik.

■ Support From Spouse

Mr. Morris's wife, Eileen McGann, says she has accepted the apology of her husband and wants to help him through the uproar, The Associated Press reported from Washington.

"This is a 20-year relationship," she said in an interview with Time magazine. "People have painful times in relationships, and this is one of them. I said, 'Let him who is without sin cast the first stone.' My advice was that we just had to get past it."

AMERICAN TOPICS

3-D Images, Without Funny Glasses

A researcher at Stanford University has developed a system that will allow people to see three-dimensional color images without the cardboard glasses that were a fad in the 1950s.

The system was developed by Elizabeth Downing, a graduate student who spent eight years using donated lasers and borrowed lab space in pursuit of what she called "a crazy idea." The technique has potential uses ranging from air traffic control displays to medical diagnostic viewers for surgeons.

Ms. Downing uses two computer-controlled infrared lasers to project 3-D pictures in a cube of laminated glass, reports the Los Angeles Times. [illegible]rgy generated where the invisible beams intersect makes a point of the glass glow. By varying the chemistry of the glass, designers can generate lights of different colors.

Guy Marlor, a physicist who has seen a prototype, said, "You can walk around the darn thing and see a true 3-D image." That, he added, is "the stuff of 'star wars.' "

Shorter Takes

Egyptian officials are demanding the return of a [illegible]-year-old mummy on sale at a Maine antique shop. Terry Lewis, owner of the Nonesuch House in Wiscasset, bought the mummy four years ago when a New Hampshire museum closed. Zahi Hawass, director general of the Giza pyramids in Egypt, says the commercial sale of a mummy "damages the spiritual value of the pharoah."

The U.S. Customs Service has ordered Mr. Lewis to keep the mummy in its glass case until an investigation is completed, The Boston Globe reports. But Mr. Lewis has threatened that if anyone tries to seize it without paying him, he will "take the mummy to the Bath Bridge at noon, hire a helicopter, light some flares and over she goes."

Mr. Hawass, for his part, says: "It should go back without compensation. If this man keeps this mummy, I hope there is a curse on him."

Cafeterias in Chicago's public schools serve the least nutritious food of any big-city school system in the country, according to a new survey. Los Angeles and Washington schools were second- and third-worst, according to the Physicians Committee for Responsible Medicine, which advocates low-fat menus. Best in the nation were the schools of Dade County, Florida; New York City, which offers salad bars in all secondary schools; and Houston.

More men are seeking help for eating disorders, according to a study at a New York hospital. From 1983 to 1995, the percentage of men treated for such problems at the Cornell Medical Center's Westchester Division rose to 13 percent from 4 percent. It was not clear whether the number of men with such disorders was on the rise, or only that more men were seeking treatment.

International Herald Tribune

Last Leader Of Cali Cartel Surrenders

Compiled by Our Staff From Dispatches

BOGOTA — The last high-ranking member of the powerful Cali drug cartel, Helmer (El Pacho) Herrera, turned himself in Sunday after dodging the police for years.

A National Police spokesman said Mr. Herrera, the No. 3 man in the cartel and the subject of a nationwide manhunt for more than a year, gave himself up shortly after midday at a pre-arranged meeting place outside Cali.

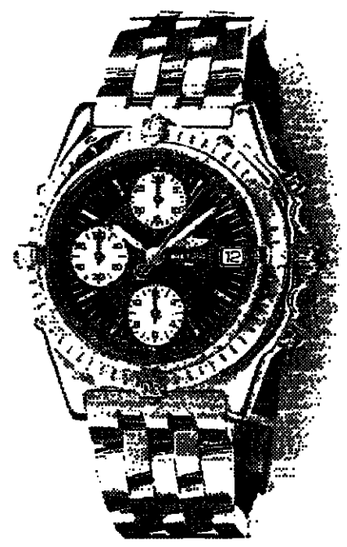
The police spokesman said Mr. Herrera, 45, the target of a recent U.S. extradition request, surrendered in the presence of the National Police director, General Rosso Jose Serrano, and other senior security force members.

Six of the seven top leaders of the cartel were arrested last year. Mr. Herrera, considered dangerous and a master of disguises, was the only cartel leader at large. *(AP, Reuters)*

SEATS LIMITED
One way 990 FF From PARIS
To New-York-Baltimore-Boston-Halifax
DEP. AUG/SEPT
ICELANDAIR
Tel: 44 51 60 51 - Fax: 42 65 17 52

The Zurich All Suite Hotel
your Residence in the heart of Zurich, very generous, elegant and distinguished. Ask for offer.
Nordstrasse 3, CH-8006 Zurich
Phone 01/368 36 68
Fax 01/368 36 36
EMA house

BREITLING
1884



CHRONOMAT

BREITLING SA
P.O. Box 1132
SWITZERLAND - 2540 GRENCHEN
Tel.: 41 65 / 51 11 31
Fax.: 41 65 / 53 10 09

INSTRUMENTS
FOR PROFESSIONALS

Away From Politics

• **The U.S. Navy suspended efforts** to retrieve the remaining wreckage of Trans World Airlines Flight 800 from the waters off eastern Long Island as an approaching hurricane forced coastal towns to prepare for the storm. *(NYT)*

• **A family and friends visiting the lake** in Union, South Carolina, where Susan Smith drowned her two sons in October 1994 met with tragedy when their vehicle rolled into the lake. Three adults and four children drowned. Mrs. Smith was sentenced in July 1995 to life in prison for drowning 3-year-old Michael and 14-month-old Alex. *(AP)*

• **A decision by a trial judge transferring custody** of a 12-year-old girl from her lesbian mother to her father, who served eight years in prison for murdering his first wife 22 years ago, has been upheld by a Florida appeals court. Lawyers for the mother, Mary Frank Ward, 47, of Pensacola, said they would appeal to the Florida Supreme Court. *(NYT)*

• **A measure requiring chemical castration** of the state's worst child molesters has been approved by the California Assembly by a vote of 50 to 8; the state becomes the first to mandate the procedure. *(LAT)*

• **Nearly 60 male walruses fell off** a 200-foot (61-meter) bluff to their deaths on a remote beach in southwestern Alaska last week. It was the third time in three years that a large number of bulls followed one another over the same cliff, federal wildlife managers said. No one can explain why. *(NYT)*

DEMOCRATS: *Party in Buoyant Mood*

Continued from Page 1

The Democratic convention, while lacking much drama, succeeded in defining the sharp policy differences between the parties. That was summarized in the candidates' contention that they represent "a bridge to the 21st Century," in contrast to Mr. Dole's assertion that he was a "bridge to the past" when America was better.

When the dust settles after this Labor Day weekend, polls will show that Mr. Clinton enjoys about the same double-digit lead over Mr. Dole that he held before the two party conventions. But Democrats say the leads are bigger in the swing states from New Jersey to Illinois, allowing Mr. Clinton to mount an aggressive drive in such states as Florida, which has been safely Republican in recent campaigns.

The turnouts Mr. Clinton drew on his whistle-stop and bus tours so far exceeded expectations that it appears he has recaptured the "chemistry" with voters he showed in the best moments of the 1992 campaign.

While Dole strategists revel in the attention Mr. Dole and Mr. Kemp drew from local media during their stay in California last week, Democrats say there is little the Republican team can do to block the momentum Mr. Clinton and Mr. Gore built up during the last week of campaigning. Mr. Clinton used Rose Garden bill-signings on three successive days, Aug. 20 through 22 — minimum wage, health care and welfare — to stop and reverse the surge of support Mr. Dole and Mr. Kemp gained from San Diego.

But campaign officials say Mr. Clinton is not planning a "Rose Garden" strategy. He is scheduled to be on the road 20 of the 30 days in September. If plans hold, these will be media events at sites where crowds can gather and where Mr. Clinton can dramatize one or another of the first-term accomplishments and second-term promises.

If plans hold, Mr. Clinton will face off with Mr. Dole in three televised debates, starting Sept. 25. The Democrats expect Mr. Dole to "exceed expectations," but do not fear that he will outtalk or outcharm Mr. Clinton. If they have their way, the Reform Party candidate, Ross Perot, will also be on stage in St. Louis, St. Petersburg and San Diego, the debate sites.

They would like Mr. Perot there to join in arguing that the $540 billion tax cut at the center of Mr. Dole's campaign is a budget-buster. And they believe that if the debates build up Mr. Perot's puny numbers, that will just make it harder for Mr. Dole to climb back into the race.

ASIA/PACIFIC

In Tone, at Least, China Purrs Like a Pussycat With a Couple of Tigers

By Keith B. Richburg
Washington Post Service

BEIJING — Is this really China talking?

After more than a year of bluster and military intimidation against Taiwan, Beijing's Communist leaders now say the time is right to resume dialogue across the Taiwan Strait.

And after freezing Hong Kong's popular Democratic Party out of any role in the British colony's coming transition to Chinese rule, China has now decided that the two sides should talk, "to have a better understanding." When Hong Kong politicians started a pro-democracy pressure group called Frontier, Beijing's response was surprisingly muted; no problem, said the Foreign Ministry spokesman, as long as the group supports Hong Kong's return to Chinese sovereignty next year and operates within the treaty covering the transition.

Even the army appears to be in the new mood. Last week, the Liberation Army Daily reported that troops being sent to Hong Kong next year are taking "cultural exercises" — learning to speak Cantonese, to sing Hong Kong pop songs and to curb habits such as spitting and littering that are viewed unfavorably in the British colony.

Nothing in these newly conciliatory gestures suggests that China has eased its hard line on what it considers matters of sovereignty, especially bringing the territories it claims back under central control. China's leaders still maintain that when they assume authority over Hong Kong next year, they will abolish its elected legislature and put their own governing team in place. And Beijing still considers Taiwan a renegade province that eventually must be reunited. But what has changed here is the tenor of statements by Chinese officials. Harsh rhetoric has been replaced by what appears to be a gentler tone, emphasizing dialogue and negotiation — but not necessarily compromise.

Chinese officials did strongly protest several recent Taiwanese actions, including the vice president's secretive trip to Ukraine and the island's purchase of U.S. missiles and missile technology.

But the protests lacked some of the past vehemence and vitriol.

Some China-watchers say the softer tone on Hong Kong and Taiwan may reflect a new consensus among party leaders just returning from meetings at the beach resort of Beidaihe.

The Communist leadership apparently sees the Hong Kong and Taiwan issues as inextricably linked — any mishandling of the Hong Kong takeover would make evennual reunification with Taiwan more difficult — and Chinese officials may have decided to soft-pedal their dispute with Taiwan until Hong Kong is safely tucked under Beijing's umbrella on July 1.

"Their main task at hand is to deal with the Hong Kong issue," said Andrew Yang, director of the Center for Advanced Policy Studies in Taipei. "They already have made the consensus decision to put Taiwan on probation for a while."

By taking a more accommodating approach toward Hong Kong's Democrats, the party most adamantly opposed to Beijing's future plans for administering the territory, China's leaders "are sending the same message to the people of Taiwan," Mr. Yang said. While China's eventual goal of reunification remains the same, "Beijing has watered down the tough line regarding the cross-straits issue," he added. Foreign Ministry spokesmen say their calls for dialogue with Hong Kong's Democrats and with their adversaries across the Taiwan Strait do not represent a policy shift, although they do say the emphasis may be different. Speaking of the decision to talk to the Democrats, one official referred to an old Chinese saying: "A large forest may have many birds, and if a few want to sing, why not just let them sing?"

Another Chinese official said the call for renewed political dialogue with Taiwan, centered on establishing transport, commercial and mail links, merely represents a return to President Jiang Zemin's original "eight-point plan" for Taiwan announced last year.

The shift to dialogue with longtime adversaries in Hong Kong and Taiwan could indicate Mr. Jiang's ascendancy in the power struggle within the fractious leadership. Mr. Jiang has been associated with relatively moderate policies, while the decision to try to intimidate Taiwan with military exercises and missile test-firings in the strait was widely attributed to hard-line elements in the Chinese armed forces that favored a tough line to quell any talk of Taiwanese independence.

That attempt at military intimidation last March, aimed at disrupting Taiwan's democratic election and reducing support for President Lee Teng-hui, is largely seen as having backfired. Mr. Lee won a solid majority. Mr. Jiang now appears to have the upper hand for his more moderate approach. Some Hong Kong press reports have described it as an "economic united front," meaning a mainland policy of using Taiwan's commercial links with China to make the island economically dependent.

Dissident Assails Beijing on Corruption

Compiled by Our Staff From Dispatches

BEIJING — A Chinese dissident who spent years in jail after the 1989 pro-democracy demonstrations in Beijing has sent a rare open letter to Parliament calling for legislation to hold back a rising tide of official corruption.

The dissident, Bao Zunxin, a former magazine editor and historian, said he had written to the National People's Congress last week to push for tougher laws on corruption.

Legislation was needed to force fuller disclosure of officials' finances, the 58-year-old dissident said in a telephone interview, saying existing laws were inadequate in the face of endemic graft.

"Without an end to corruption, there will not be a day of peace in our country," Mr. Bao wrote in his letter, a copy of which was faxed to news agencies by the Information Center of Human Rights and Democratic Movement in China.

"Corruption has seeped into every level of the government, and requiring only officials above the county level to declare their property is far from enough," he wrote.

Petitions to the Congress have in the past been greeted either with stony silence or followed by the detention of signatories.

Mr. Bao, who spent more than three years in prison for his role in the 1989 Tiananmen Square demonstrations that were crushed by the army, said he could not guess what the reaction to his letter would be, but said it was impossible to be optimistic.

Public security officials took Mr. Bao from his Beijing home in July for a week-long "tour" to Qingdao in eastern China after discovering he had granted an interview to a French reporter, he said.

Some dissidents see demands for action against corruption as a rallying call among a populace bitter at the wealth and privilege enjoyed by some senior officials.

In another development, a human rights group said over the weekend that the dissident Wang Donghai had been taken away and forced by police to attend a Cultural Revolution-style "study class."

Mr. Wang had been told he could serve a three-year "re-education through labor" sentence at home because of illness but was detained again Friday afternoon, the New York-based Human Rights in China said in a statement.

The dissident's father said he was unsure where his son had been taken.

"He was taken away by two policemen to a study class, but we are not sure where to," the father said by telephone. "At least they let him pick up some clothes and medicine." *(Reuters, AFP)*

A Warning to Tibetan Monks

China Seeks to Rid Temples of Dalai Lama Supporters

Compiled by Our Staff From Dispatches

BEIJING — The Chinese authorities have called for a purge of Buddhist monasteries in the Himalayan region of Tibet, saying that many of the monks were supporters of the Dalai Lama, Tibet's spiritual leader, who lives in exile.

The Tibet Daily edition of Aug. 23, available Sunday in Beijing, attacked the Dalai Lama's efforts to achieve Tibetan autonomy, saying he was a puppet of anti-China forces and that it was clear he had no intention of changing.

"Many unsavory people have wormed their way into the temples and monasteries, ignoring the law and religious discipline, inciting the young monks to engage in activities to split the motherland," the paper said. It called for intensive education work in the monasteries to counter the influence of the Dalai Lama, and warned that protecting freedom of worship in the region depended on a solution to the problem.

Tibet has been rocked by periodic unrest in recent years, with many monks and nuns jailed for rioting. Many Tibetans still revere the Dalai Lama, who fled to India in 1959 after an abortive uprising against Beijing.

The Tibet Information Network reported from London that the Chinese authorities had arrested up to 25 monks and closed a school at a monastery in Taersi after independence posters and leaflets were distributed at the site.

The student monks, the London-based group said, were detained for six weeks from mid-March to early May in Taersi, which Tibetans call Kumbum. It is the main Buddhist site in the Chinese province of Qinghai. *(Reuters, AFP)*



Fernando Sepe Jr./The Associated Press

Nur Misuari, the Muslim rebel leader, surrounded by guards and supporters, declaring "Allah is great" at his arrival Sunday at Manila.

X-Ray Detects New Malady in Mother Teresa

Reuters

CALCUTTA — Mother Teresa, the Nobel peace prize laureate who has been in intensive care with heart problems, has developed a chest complication, her doctors said Sunday.

"We have found some dark patches in her chest in the X-ray," said Dr. S.K. Sen, medical director of the Woodland Nursing Home in Calcutta.

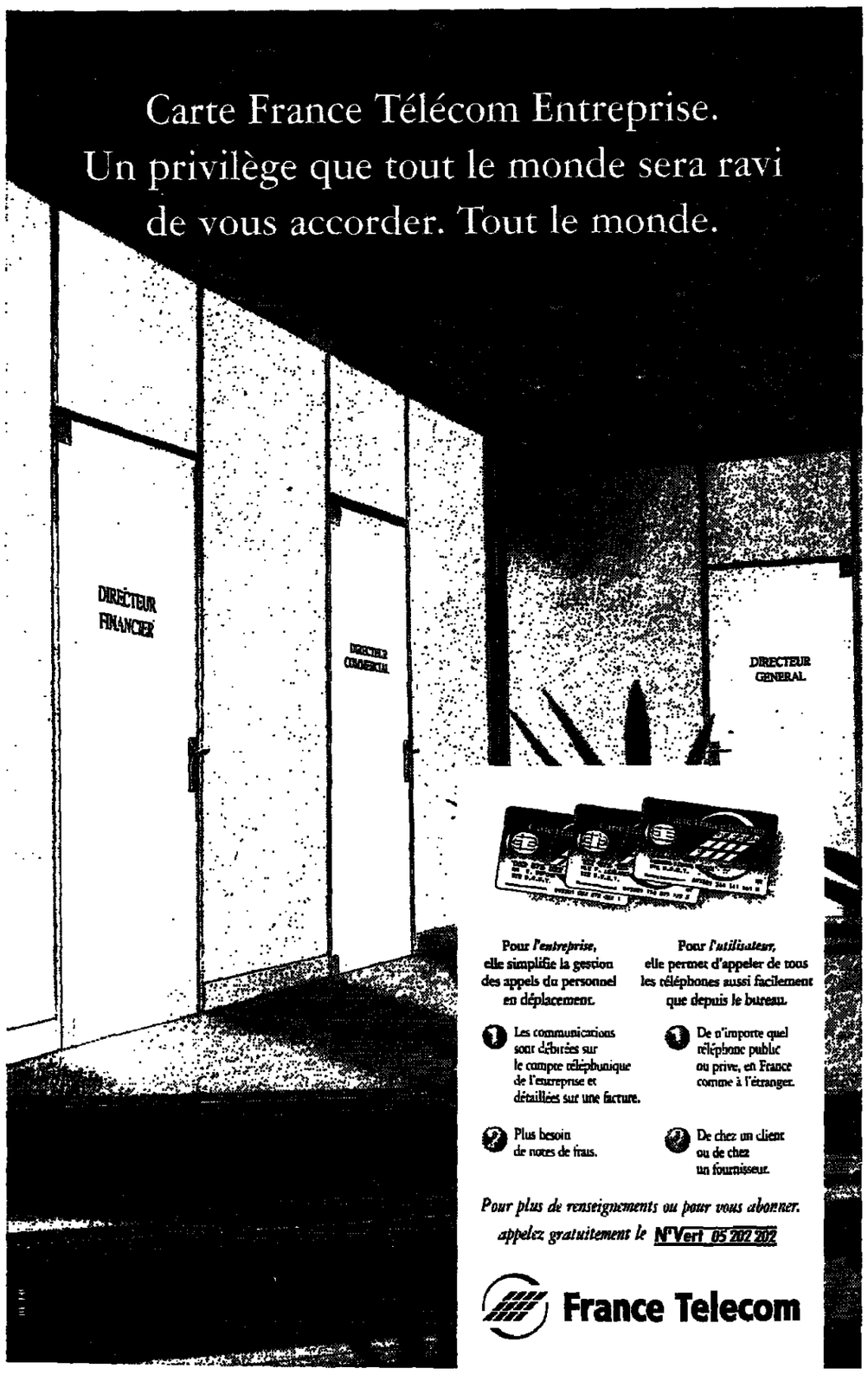
He said doctors had asked for the X-ray of the 86-year-old Roman Catholic nun to monitor her treatment for pneumonia. She had been said earlier to be suffering from malaria and heart trouble.

A medical bulletin on her condition said: "Mother Teresa remains fully alert and conscious.

"Cardiac irregularity is still present," it said. "She has developed a chest complication for which she is being investigated."

Despite her frail condition, Mother Teresa was described as being in high spirits. "This is the vitamin for me," Dr. Sen quoted her as saying after she spent half an hour saying prayers Saturday.

Mother Teresa has been in the home since Aug. 20. "We will see her fully mobile within the intensive care unit, then we will shift her" to a private room, Dr. Sen said.



Rebel Returns to Manila to Sign Pact

Compiled by Our Staff From Dispatches

MANILA — The Muslim rebel chieftain Nur Misuari arrived in Manila under heavy guard Sunday to sign a peace pact with the government that would end a 24-year revolt for Muslim self-rule in the southern Philippines.

The leader of the insurgent Moro National Liberation Front is scheduled to sign the accord with the government's chief negotiator, Manuel Yan, at the Malacanang presidential palace on Monday. The accord is fiercely opposed by many Christian Filipinos, who contend that the pact is too favorable to Muslims.

Dozens of police and rebels threw a tight security cordon around Mr. Misuari and kept him away from journalists after he emerged from an Indonesian Air Force plane that flew him from Jakarta, where the peace accord was initialed Friday.

The special flight landed at a Philippine Air Force base in Manila. Minutes later a convoy of cars whisked away the guerrilla leader to the Manila Hotel, where he was to stay.

In the airport lounge, he was awaited by a horde of journalists and Filipino Muslim supporters. The former university professor, wearing a business suit and a Muslim hat, looked back at the crowd, raised a clenched fist and shouted "Allah is great."

It was the first time in about a quarter of a century that Mr. Misuari, 55, had set foot in Manila, where as a student he took part in street protests in the late 1960s and early 1970s against U.S. involvement in the Vietnam War.

He went underground after President Ferdinand Marcos proclaimed martial law in September 1972.

A month after Mr. Marcos declared the emergency, young Muslim guerrillas seized a state university in southern Marawi city, signaling the start of a rebellion that was to claim more than 120,000 lives.

Mr. Misuari gave no arrival statement. He was accompanied by the Indonesian foreign minister, Ali Alatas, and other Islamic envoys who will witness the signing ceremony at the presidential palace.

President Fidel Ramos, a retired general and Mr. Misuari's former battlefield nemesis, will receive the guerrilla leader and witness the signing.

The peace accord calls for the setting up a rebel-led council in the Mindanao region to supervise the development of 14 provinces followed by a plebiscite and regional autonomy three years later.

Church bells will ring in Manila, government supporters will stage marches around the country and helicopters will shower confetti over the capital to celebrate the signing of the agreement.

But in southern Zamboanga city, a bastion of Christian opposition to the deal, residents will stage a symbolic funeral march to dramatize their protest.

Indonesia presided at a committee of the Organization of the Islamic Conference that supervised the three-year-long peace talks. *(Reuters, AFP)*

BRIEFLY ASIA

Seoul Prosecutors to Challenge Sentences of Former Leaders

SEOUL — South Korean prosecutors are preparing to challenge court sentences imposed during the "trial of the century," including a 22½-year jail sentence for former President Roh Tae Woo, Yonhap television said Sunday.

Prosecutors are reported to be unhappy because except for the death sentence given to former President Chun Doo Hwan, the punishments given out, to Mr. Roh and 13 military aides, were less than demanded, Yonhap said. Prosecutors were not available for comment.

On Saturday, Mr. Chun appealed his sentence, ending days of speculation about whether he was prepared to go to the gallows in a bid at martyrdom. Mr. Roh also appealed on Saturday, as did presidential aides, former generals and businessmen who received jail terms. *(Reuters)*

Rights Panel Criticizes China

MANILA — Human rights advocates ended a meeting here Sunday calling for a broad international front to pressure China to respect human rights.

"The international community must hold China to account for its appalling human rights record," the conference organizers, led by Amnesty International and the Bangkok-based Asian Forum for Human Rights and Development, said in a statement.

"It must insist that China not only abides by international laws and standards in areas such as trade and security, but also in the treatment of its own people," the statement added.

Delegates from 35 international and regional nongovernment groups, from countries including Burma, Cambodia, Indonesia, Malaysia, Nepal, South Korea, Sri Lanka and Thailand, attended the three-day conference. *(AFP)*

Japan Shows Off Quake Dogs

TOKYO — Japan, one of the most earthquake-prone nations with a tremor nearly every day, carried out annual disaster drills Sunday with rescue dogs, heroes of last year's Kobe earthquake, out in force for the first time.

But questions were raised on how the safety of foreigners who do not speak Japanese could be ensured in future catastrophes.

Nearly 13 million Japanese — one-tenth of the country's population — took part in the nationwide exercises, which have been held on Sept. 1 for the past 25 years. The date was selected to commemorate an earthquake that devastated Tokyo in 1923. *(Reuters)*

Cambodia Guerrillas Help Foes

BATTAMBANG, Cambodia — Dissident Khmer Rouge guerrillas gave government troops a free hand to attack other guerrillas still loyal to the hard-line faction of Pol Pot, a government spokesman said Sunday.

News of the cooperation came as contacts between the government and the dissident guerrillas were becoming increasingly frequent and were involving higher-level participants. The government is hoping that the split in the guerrilla ranks can put an end to the long insurgency conducted by the Khmer Rouge.

A formal working group to conduct negotiations between the two sides has been established, it was announced Sunday, and the government's co-ministers of defense are expected to meet the leader of the breakaway guerrilla faction, Ieng Sary, on Thursday. *(AP)*

VOICES From Asia

Brigadier General David Abel, Burma's minister for national planning and economic development, warning that Western governmental pressure to call for fresh national elections was misguided: "The Americans are too impatient. If we force down the whole process, peace won't last long and Myanmar could turn out like Bosnia Herzegovina. We know our problems more than they do, we have to solve the problems in our own way, and we are solving them." *(AFP)*

Lien Chan, vice president and prime minister of Taiwan, saying that some countries that recognize China instead of Taiwan are considering further relations with the island: "Some countries plan to establish further ties with us, and we will carefully review the cases." *(Reuters)*

هكذا من الأصل

Militant Serbs' Platform: Destroy the Parliament

By Chris Hedges
New York Times Service

PALE, Bosnia-Herzegovina — The first thing Slavko Aleksic plans to do if elected to the joint Croat-Muslim-Serbian parliament this month is to destroy it.

"Our mission is to protect our separate and independent Bosnian Serb state," said Mr. Aleksic, a Serbian commander, in combat fatigues with a pistol strapped to his side, "not build structures like this parliament that are meant to destroy what we have achieved in blood."

This campaign promise, coupled with his sneering insults to the American government and those who signed the Bosnian peace agreement last December, drew cheers and applause from the 3,000 Serbs who gathered on an open field here recently to watch him swagger across the stage — albeit without the bullet-filled bandolier that adorned his chest during the war, when he led a notorious brigade of volunteers known as the White Tigers.

His denunciations of the peace accord, his penchant for campaigning while armed and his threats against Muslim opponents all violate the election rules set by the Organization for Security and Cooperation in Europe, which is overseeing the vote.

But by most predictions, Mr. Aleksic and scores of militant nationalists like him seem set to assume political office in Serb-held Bosnia. Within weeks, international officials, and in theory Muslim and Croat officials, will have to work with people like him if they want to get anything done.

Although elections for municipal offices have been postponed after widespread reports of abuses in voter registration, the elections for the national parliament and the three-member presidency are still scheduled for Sept. 14. Western officials insist that the balloting will be a step toward stitching a war-divided country back together, but critics say it will only affirm the existing ethnic partition.

Dealing with men like Mr. Aleksic, who is a candidate of the Serbian Radical Party, is unthinkable to many Muslims and unpalatable to most diplomats.

The Serbian Radical Party is allied with the Serbian Democratic Party, which dominates Serb-controlled Bosnia. It has not fielded a presidential candidate, but has called on its supporters to vote for the nominee of the Serbian Democratic Party. The two parties are expected to dominate the election.

"The cleansing club is up for election," said Kris Janowski, the spokesman for the United Nations High Commissioner for Refugees, referring to the role that adherents of these parties played in ethnic purges. "And everything indicates they will win. This fierce hostility toward multiethnicity and the return of refugees will only be perpetuated."

To many ethnic Serbs, Mr. Aleksic is a war hero. His stature in their eyes rose when the Muslim-dominated Bosnian government declared him a war criminal and issued a warrant for his arrest.

He campaigns with the Serbian nationalist Vojislav Seselj; Mr. Seselj and Zeljko Raznatovic, who is known as Arkan, organized paramilitary units to fight in Bosnia. Human rights groups have accused those squads of some of the war's worst atrocities and of spearheading the ethnic purges that drove hundreds of thousands of Muslims from their homes and villages.

The rules for next month's election bar people from running for office if they have been indicted on war crimes charges by the international tribunal in The Hague. Mr. Aleksic is under investigation but he has not been indicted.

Those who lived under Mr. Aleksic's shadow during the war say they are still haunted by his capricious brutality.

Osman Karabacic, a 61-year-old carpenter, said he had been forced to work on the Bosnian Serb front lines, digging trenches and burying bodies. He spent months under the command of Mr. Aleksic's motley group of militia members. When he spoke of Mr. Aleksic, his voice quivered and his face flushed with anger.

"Out of the 170 people in my work detail, all but 13 were executed by Aleksic and his men by the end of the war," said Mr. Karabacic, who had hidden the fact that he was a Muslim.

"He is a beast. Even the Serbs were terrified of him. If a decent Serb raised his voice to protest the killings, he was murdered. When he and his men were not killing, they were looting. When they were not looting, they were raping kidnapped Muslim girls. And when they had nothing to do, they drank in front of the barbershop and ended up quarreling and fighting among themselves."

But it is precisely this reputation for terror and intolerance that reassures those who plan to vote for the Serbian commander.

"The point of this vote for us is to kill the Dayton peace agreement," said Miroslav Radovananovic, a literature teacher who attended the recent rally. "Can you think of a better person to do the job than Slavko Aleksic?"

Anti-Dayton Tactic Appeals to Voters

■ Bosnian Croat 'State' Dissolved

The Bosnian Croat para-state of Herceg Bosna ceased to exist Saturday, Agence France-Presse reported from Sarajevo.

John Kornblum, the U.S. envoy, said that, in accordance with the Dayton peace accord, administrative arrangements in that sector of the Muslim-Croat Federation under Bosnian Croat Army control will "cease to exist."

Herceg Bosna was declared by hard-line Bosnian Croats in 1993 at the height of their conflict with Muslims. It operated in areas under the control of the Bosnian Croat militia.

Since the formation of the Muslim-Croat Federation, which ended fighting between the two communities in 1994, Herceg Bosna has stifled the full working of the entity.

BRIEFLY EUROPE



Crispin Rodwell/Reuters

ULSTER DEFIANCE — Billy Wright, a leading pro-British loyalist, watching a Protestant parade in Portadown. He ignored an order by other loyalist militants that he leave the province over his brief detention in the murder of a Catholic cab driver.

Kidnapping of 2 Is Suspected

BRUSSELS — Belgian police believe two teenagers who disappeared last week and were found safe in Cologne had been kidnapped, the state prosecutor in Liege said Sunday.

The prosecutor, Jean-Louis Lecrompe, said, "the hypothesis of a kidnapping is currently the most plausible one following the statements given by the young women to the Cologne police."

German police announced Sunday that they were seeking a driver in his 40s in connection with the suspected kidnapping.

If the abduction theory proves correct, it will fuel the anxiety that has gripped Belgium since the news of a suspected pedophile ring centered on a convicted child rapist, Marc Dutroux, who is said to have confessed to abducting at least six girls, two of whom have been found dead.

According to the Belgian police, Rachel Legeard, 18, and Severine Potty, 19, were found asleep in a wood near Cologne on Saturday evening. The pair were shopping Thursday in Liege when they disappeared. *(AFP)*

U.K. Minors May Face 'Shaming'

LONDON — Home Secretary Michael Howard will propose at the Conservative Party's annual conference in October that minors involved in serious offenses should be identified as a way of shaming them, The Sunday Times reported. He will contend that minors are responsible for 20 percent of all crime and 40 percent of burglaries.

The opposition Labor Party has similar plans, The Times reported, but only for 16- and 17-year-olds.

Laws protecting the identity of minors date back 60 years, and were introduced in order to allow offenders a fresh start in adult life. They were adopted through most of Britain's former colonies in the Commonwealth. Justices may identify juveniles only in exceptional circumstances. *(AP)*

Mitterrand Aides Attack Book

PARIS — Two aides of Francois Mitterrand, the late French president, have called on the courts to seize a book by a member of his anti-terrorist unit that details telephone taps and activities of the alleged "political police," a weekly paper reported Sunday.

The Journal du Dimanche said Michel Charasse, a former minister, and Gilles Menage, a former Mitterrand chief of staff, have filed suits over "Secret Wars at the Elysee," by Paul Barril, a former police captain.

The book, published Friday, asserts that Mr. Mitterrand's friend and confidant, Francois de Grossouvre, found dead in 1994 in his office at the Elysee Palace, did not commit suicide as reported but was murdered. Mr. Barril writes that he has no absolute proof, but calls for a investigation into the death. *(Reuters)*

Labor Party to Name Donors

LONDON — Britain's opposition Labor Party will publish a list of its main donors, its leader, Tony Blair, said Sunday, calling on the ruling Conservative Party to follow suit.

"Over the next few months we will be publishing a list of people, many of whom will be business people," Mr. Blair told the BBC.

He said the move would foil a Conservative ploy to portray Labor as the enemy of business. "For the first time you're going to find substantial business people openly contributing to the Labor party," he said.

He urged the Conservative Party of Prime Minister John Major to follow Labor's example. "They are running a huge negative advertising campaign, telling lies about the Labor Party and they won't tell you where the money comes from," he said.

Mr. Blair also said that Labor had received a record donation of £1 million ($1.55 million) from an animal rights group, the Political Animal Lobby, in the hope that it would ban fox hunting. But he said the group had been warned that donations would have no influence on determining party policy. *(AFP)*

Pope Condemns Polish Plan to Ease Abortion

Reuters

CASTELGANDOLFO, Italy — Pope John Paul II, his voice trembling with emotion, delivered a blistering attack against his native Poland on Sunday over a new law there to liberalize abortion.

"A nation that kills its own children is a nation without hope," he said.

His remark, made only in Polish, was made during routine greetings in various languages. He spoke within hours of a vote in Poland's lower house of Parliament allowing women to end pregnancies before the 12th week if they were too poor to rear children or had other problems.

Enjoy Major Savings on your International Calls

NEW WORLD'S RATES TO THE U.S.
U.K. .....25¢
GERMANY .....37¢
FRANCE .....35¢
SWITZERLAND.37¢

LOWEST RATES • 6 SECOND BILLING
NO HIDDEN CHARGES
IDEAL FOR HOME / OFFICE / CELLULAR

Call Hans at 1-201-996-1670
Fax: 1-201-996-1870
LINES OPEN 24 HOURS!

e-mail: tribune@newworldtele.com
http://www.newworldtele.com

NEW WORLD TELECOMMUNICATIONS
1402 Route 9 North • Suite 114 • Howell, NJ • 07731 • USA

Sometimes, simple things are the most important.



PHILIPS

Russian Leaders Await Final Chechen Accord

Chernomyrdin Gives Cautious Approval

By David Hoffman
Washington Post Service

MOSCOW — The Chechen peace agreement hammered out by the Russian security chief, Alexander Lebed, drew a muted but positive response Sunday from Prime Minister Viktor Chernomyrdin but was met with silence from President Boris Yeltsin.

Mr. Chernomyrdin, who previously had been head of a government commission on the Chechen war that failed to find a settlement, commented dryly that Mr. Lebed's agreement was "on the right path." He said he had not seen the document and would meet with Mr. Lebed on Monday.

Given the significance of the document, setting aside Chechen claims for independence for five years, the major cause of the 20-month-long war, Mr. Yeltsin's silence on the pact was notable. His staff issued several ceremonial declarations Sunday but the only comment on the peace agreement was that the vacationing president would await a report from Mr. Lebed.

Mr. Yeltsin is staying at a government hunting lodge north of Moscow. His press secretary, Sergei Yastrzhembsky, told a Russian television program broadcast Sunday that the vacation was the reason Mr. Yeltsin could not meet with Mr. Lebed in person recently.

The pact reached by Mr. Lebed early Saturday with the Chechen military commander, Aslan Maskhadov, would postpone the issue of Chechnya's status in the Russian Federation until Dec. 31, 2001, and set up a joint commission for addressing the republic's huge postwar problems.

There have been several cease-fire agreements during the war, but this was the first time that Russia and the Chechen separatists agreed to a framework for a political settlement. However, it has not been clear in recent days whether Mr. Lebed will be able to muster support in Moscow for such a solution, which could lead to Chechen independence that Russia had previously refused to grant. Mr. Yeltsin sent troops into the region in December 1994 in a failed and costly effort to crush the separatists.

Reports from the Chechen capital, Grozny, have suggested that the Chechen fighters are already moving to take control of the city and that Russian troops control very little of the capital or the rest of the country.

Zelimkhan Yandarbiyev, the Chechen separatist leader, said in southern Chechnya on Sunday that he approved of the Lebed arrangement, and that it did not mean that Chechnya would revert to its prewar status as an internal republic in the Russian Federation.

"To interpret this as going back on our current status is not correct," he said, according to Reuters.

"We are not part of Russia. We are simply leaving a lot of space — in time, and politically — for the establishment of bilateral relations. We are an independent state."

A separatist spokesman, Movladi Udugov, told Echo Moscow radio Sunday that elections would be held in Chechnya following a troop pullout and that the newly elected authorities would serve during the five years before the resolution of Chechnya's status.

■ 'Courage, Endurance, Patience'

Mr. Chernomyrdin, speaking on ORT television and quoted by wire agencies, said, "We must have courage, endurance and patience. We should continue moving ahead but Russia's interests should not be infringed."

Mr. Chernomyrdin said Friday that Mr. Yeltsin had approved the draft accord that Mr. Lebed was to take to the rebels. But the draft was amended during eight hours of tough talks with the separatist chief of staff, Aslan Maskhadov, and Kremlin aides said Mr. Yeltsin expected a full report from Mr. Lebed clarifying the changes, the agencies reported from Moscow.

"The Russian president expects from the Security Council secretary a detailed report with a clarification of the details of the agreements," a Yeltsin spokesman said.

Scattered clashes were reported across the ravaged mountainous republic Sunday.

But in other parts of Chechnya, the peace process moved forward. Chechen rebels released 10 Russian prisoners in Gudermes, 40 kilometers (24 miles) east of Grozny, the Russian military command said.

Mr. Yastrzhembsky said Mr. Lebed and Mr. Maskhadov had made changes to the peace plan from the version Mr. Lebed worked out with Mr. Chernomyrdin and other senior officials on Thursday.

Mr. Yandarbiyev, who hailed the pact right after its signing, was more subdued Sunday.

Calling it a "move toward peace," he accused unspecified Russian forces of "launching provocations aimed at jeopardizing the agreement," the Interfax press agency reported.

All previous accords to end the war have failed. *(Reuters, AP)*



Yuri Kochetkov/Agence France-Presse

A Chechen boy brandishing his country's flag and chanting victory along with separatist fighters in the village of Novy Ataghi.

Berliners Retain A Reviled Name

Agence France-Presse

BERLIN — Residents of a Berlin district have blocked a project to change the name of a street named after an anti-Semitic theologian on the ground that it would cost too much to reprint their calling cards, the weekly news magazine Der Spiegel reports.

Ecologists and Social Democrats were enraged to see that the street still bore the name of Reinhold Seeberg, whose beliefs included the conviction that Jewishness was "the mortal enemy of all genuine culture."

It had been proposed to rename the thoroughfare, in the Wilmersdorf district of what was West Berlin, in honor of Walter Benjamin, a celebrated Jewish academic and writer who fled Nazi persecution.

About 100 streets in the western part of Berlin and dozens in the eastern part retain the names of known Nazis, the magazine reports Monday.

Much Ado on Terrorism

How Grave, Really, Is the Threat?

By Steven Erlanger
New York Times Service

WASHINGTON — The vaunted military and security organs of the United States, bereft of the clarity of the Soviet enemy or the probability of traditional war, have turned considerable attention and resources to the scourge of international terrorism, the weapon of the weak and dispossessed.

President Bill Clinton calls international terrorism the greatest security threat to the United States. Defense Secretary William Perry estimates that the U.S. government alone spends $5 billion a year combating terrorism.

That figure is likely to be dwarfed by what the private sector spends in increased security at airports and telephone switching centers, let alone in the time lost to Americans as they wait for increasingly long periods in an increasing number of lines.

But there seems to be an extraordinary disconnect between all this furor and the actual damage inflicted on the United States and Americans. In 1994 and 1995 combined, exactly 16 Americans died in acts of international terrorism, defined by the State Department as involving citizens or territory of more than one country. In 1993, 57 Americans died when struck by lightning.

Even if one includes the 168 dead from the domestic bombing of the federal building in Oklahoma City in April 1995 and the 119 servicemen killed last June in the bombing of the U.S. military barracks in Dhahran, Saudi Arabia — or the 230 people who died on TWA Flight 800, possibly downed by terrorists — the figures pale next to the 42,000 Americans who died in 1993 from motor-vehicle accidents or the 31,000 Americans who killed themselves that year.

And worldwide, the number of deaths from terrorism dropped to 44 in the first six months of 1996, compared with 85 in the same period last year.

Richard N. Haass, who is about to become director of foreign-policy studies at the Brookings Institution, likened the tradeoff between cost and risk to insurance. "What sort of a premium are we willing to pay as a society for this insurance policy, in costs and liberties," he asked, "and what sort of risk will we tolerate?"

The premium seems high right now, he believes, but it will grow. Given America's openness and its dependence on vulnerable central systems for water delivery, telephone service and transport, he said, "we've gotten off pretty easily."

Terrorism has a sharp political cost in that no government can be seen to be doing nothing, even in the face of ambiguous evidence, says Morton Abramowitz, director of the Carnegie Endowment. "To find the right balance in dealing with terrorism is very difficult," he said, "and like our drug policy, it's very heavily politically determined."

Walter Z. Laqueur, the author of two influential books, "Terrorism" and "Guerrilla," thinks the cost of fighting terrorism, given the panic and death it causes, will only increase. His concern, he said, is the access to modern technology and scientific expertise of various new terrorist groups, some very small and sectarian or millenarian, "to whom no intelligence agency has paid too much attention.

"We seem to be coming to the age of purposeless terrorism," he said. "The smaller the group, the less clear the aims and the greater likelihood they just want to destroy."

Terrorists have so far used conventional weapons against specific targets, like airplanes and buildings, rather than unconventional weapons, like nerve gas or biological poisons, against larger targets.

In the 1960s, says Anthony Cordesman of the Center for Strategic and International Studies, the U.S. military conducted secret "field trials" of anthrax spores, dumping a safe facsimile on commuters leaving Grand Central Terminal in Manhattan and letting the wind carry more to shore from a ship anchored near Atlantic City, New Jersey. The military concluded that 65 pounds of anthrax, released without a sophisticated delivery system, would be equivalent to a small nuclear weapon.

But the real goal of terrorism is affecting politics and strategy, causing incapacity, intimidation and enormous pressure on the part of a victimized government to strike back somewhere.

As Mr. Laqueur says, "the real danger now is not the damage that can be done but the panic and the reaction of the public, which is not prepared," especially in a country that has become so intolerant of casualties, even in war.

In the current furor, there are already calls for harsher laws and less worry about civil liberties. In foreign-policy terms, unilateral American efforts to isolate and sanction "rogue nations" that sponsor terrorism, like Iran, have not only elicited little support among allies but also produced new resentments and divisions among them, without much damage to the target.

NEWS ANALYSIS

Irish Beeriness Brings Cheers to Rome

By Celestine Bohlen
New York Times Service

ROME — In the competition between grape and grain, there has never been any doubt where Rome stood. The ancient Romans had no god of beer, just Bacchus, the god of wine whose centuries-long reign over the city's banquets, bars and restaurants has never really been challenged. Until now.

In the last few years, Rome has been invaded not by barbarians but by their pubs — drinking establishments of a Celtic or Anglo-Saxon origin with exotic names like the Hanging Gate, the Hunting Fox, the Finn MacCumhal, where the beer comes in different shades and the barmen speak Italian with a lilt.

According to some estimates, greater Rome now has about 300 pubs and beer parlors, most of them in the city center. And while these numbers may not seem culturally overwhelming for a city of 3 million and 5,000 bars and eateries of all sorts, many have concluded that pubs are more than just a passing fad: They attract a sizable slice of a youth market that is looking for places to sit down, listen to music and drink, with or without food.

"Today there are more pubs and beer parlors than any other kind of nightspot in Rome," said Roberto Carosi, president of the Italian association of food and beverage outlets. "These pubs are proliferating like crazy."

But why the craze for pubs? And why in Rome, a city full of outdoor cafés where people can spend summer evenings nursing drinks of all sorts, including beer, often in glorious surroundings?

First, there is beer itself, in particular imported draft beer, still regarded by many Italians as an intriguing novelty. Then there is wood, that essential ingredient in pub decor, whether part of the bar, the walls or the booths, creating a sense of indoor coziness that, some Italians say, is lacking in their country.

Francesco, a young Roman, stopped by the Abbey Theater pub in the heart of old Rome on a warm night recently to drink a pint of dark beer with a friend. The attraction of the pub, said the young man, who refused to give his last name, was its "warm atmosphere, provided by the wood, and its Irish beer."

Celeste Cucchiarelli has never been to England or Ireland, and until he and his partner opened the Abbey Theater two months ago his business was furs, not bars. His decision was based on the simple observation that pubs are the going thing in Rome.

"I followed the fashion, the style of the times," he said.

The wood furniture was designed and installed by Mr. Cucchiarelli himself, but the rest of the decor, including costumes, photographs, playbills and wall paintings of William Butler Yeats, Sean O'Casey and other figures from the golden age of Irish theater, was provided by Guinness, the Irish brewery, which has put itself at the forefront of Italy's pub boom.

Since 1991, Guinness has helped in the creation of 250 Irish pubs in Italy, with about 40 in Rome alone. It flies in Irish architects to advise on the decor, and the company provides the "authentic" details, all in return for a five-year contract to sell exclusively Guinness brews.

With this marketing campaign, the Dublin brewery has seen its exports to Italy go from 290,000 gallons in 1989 to 3.2 million gallons today, said Alberto Cavagnera, director of Guinness Italia, a subsidiary of the Irish company.

The "Irish pub concept," as Guinness calls its campaign, is now under way in 33 countries, with Germany heading the list and Italy not far behind.

Yet, it is not drinking beer that has caught on in Italy so much as drinking beer in pubs. Italian beer consumption remains unchanged at 6.6 gallons per capita, compared to 31.7 gallons in England. Only 5 percent of Italians have a beer every day, while 32 percent have at least one glass of wine, although that number is dropping.

TIME doesn't just cover news.
TIME makes news.

"...the really trendy [at the Paris shows] were those who carried a copy of TIME Magazine in the special Hermès bag."
– LE JOURNAL DU DIMANCHE 22.10.95



Fashion Special Report
Issue Date:
October 7 1996

INTERNATIONAL CLASSIFIED

Escorts & Guides

GUARANTEED INTERNATIONAL
TOP FASHION AND BEAUTY MODELS
ATLANTIC
PLATINUM & GOLD SERVICE
NEW YORK
++ 910 212 785 1919
BEVERLEY HILLS
++ (1) 310 247 9733
EUROPE
++ (0) 7000 77 04 11/22
LOCAL SERVICE WORLDWIDE

INTERNATIONAL ESCORTS
World's First & Most Exclusive Service
Models, Beauty Queens, Actresses
Multilingual Travel Companions
Hdqtrs. 212-765-7896 NY, USA
Credit Cards and Checks Accepted

AMSTERDAM TOP-GIRLS
First Class Escort Service for your best choice. Tel: +31 20 6653726

BELGRAVIA
ORCHIDS
LONDON - PARIS
THE FINEST & THE MOST SINCERE
25 - 35+ INTERNATIONAL
BEAUTIFUL & ELEGANT STUDENTS
SECRETARIES, AIR HOSTESSES &
MODELS +
AVAILABLE FOR ALL OCCASIONS
Escort Agency Credit Cards Welcome
SERVICE WORLDWIDE
TEL: LONDON ++ 44
0171 589 5237

SOLITAIRE
WORLDWIDE ESCORT SERVICE
AMSTERDAM
The First Impression, The Last !
31 (0) 20 423 0323

ANNE MARIES ESCORT SERVICE
and Dinner Date Service London
0171 706 3972

SABLE
INTERNATIONAL
LONDON ESCORT SERVICE
0171-938 4445
LOCAL SERVICE FOR LONDON
AND OTHER EUROPEAN LOCATIONS
CREDIT CARDS WELCOME

H
AMBROSIA'S
CARIBBEAN MODELS
ESCORT SERVICE LONDON
0181 960 8840

"SWITZERLAND + GERMANY"
Tel.: ++31-20-427 26 27
Zurich-Geneve-Basel-Berne-Frankfurt
COSMOS Escort Agency. Credit Cards

ARISTOCATS Escort Service
3 Shooldhan St. London W1
0171 258 0099

HEIDI'S HIGH SOCIETY*VIENNA*PARIS
COTE D'AZUR & ZURICH * GENF
International Escort & Travel Service
Vienna ++43-1-5354104 all credit cards

BARONESS DE SILVA
Exquisite Multinational Escort Service
Available for the Best Occasions
CENTRAL LONDON: 0171 225 3244

CHELSEA ESCORT SERVICE
51 Beauchamp Place, London SW1
Tel: 0171-584 8513

K & K TOP MODEL ESCORT
VIENNA*AUSTRIA*GERMANY*PARIS
Top European Travel Service available.
For info: call Vienna ++43-1-718-73-55

CLAUDIA'S ESCORT SERVICE
LONDON TO PARIS
0171 937 4751

Escort * PARIS & LONDON*
EXCLUSIVE, ELEGANT & EDUCATED.
Service London (171) 384 5145

FRANKFURT & AREA
Maria's Escort Agency
Please call 069 - 597 66 66

FRANKFURT-KOLN-DUSSELDORF
WIESBADEN-MAINZ-HEIDELBERG
Gabi Escort Service +49(0)171-5311805

"GERMAN ESCORT SERVICE"
all over Germany
02161-183650 or 183599

JASMIN'S ESCORT SERVICE
LONDON 0171 935 0564
CREDIT CARDS ACCEPTED

KOUROUS ESCORT SERVICE
Fine young male & female escorts, UK &
Continental Bookings 0171 631 0993

MILAN*ROME*COTE D'AZUR*PARIS
MARBELLA*SARDEGNA*LUGANO Escort Service Tel: 39(0)348 220 1952

PHILIPPINE BEAUTY Escort Service
PHONE 0410 906 314
LONDON - HEATHROW - GATWICK

ZURICH - GINA
Escort Service
ZURICH 280 38 08

هكذا من الأصل

In Absence of Sustained U.S. Influence, Old Kurdish Feuds Flourish

By Jonathan C. Randal and John Mintz
Washington Post Service

By capturing a Kurdish city in a haven patrolled by U.S. and other international warplanes, President Saddam Hussein of Iraq has challenged President Bill Clinton to respond. But any U.S. action risks drawing America further into a region troubled by Kurdish rivals' bitter feuds, meddling by powerful neighbors and countless betrayals of the Kurdish people's ancient nationalist longings.

The 22 million Kurdish people, almost all of them Sunni Muslims, are mostly spread across lands in Turkey, Iran, Iraq, Syria, Armenia and Azerbaijan, and they constitute the world's largest ethnic group without a nation of its own. The American-led air umbrella, created over Kurdish areas in northern Iraq after the 1991 Gulf War, gave the Kurds their best shot at achieving autonomy in a half-century.

But in December 1994, an old rivalry between the Kurdistan Democratic Party, led by Massoud Barzani, and Jalal Talabani's Patriotic Union of Kurdistan led to a resumption of factional fighting that in the last 20 months has killed 4,000 of the 3.5 million Kurds in Iraq. It was a revival of this fighting that triggered the latest military confrontation, which culminated in this weekend's Iraqi capture of Arbil, the unofficial Kurdish capital.

A problem for the United States is that each Kurdish faction is now loosely allied with a country that Washington has long despised.

Mr. Talabani's Patriotic Union has been accused by its rivals of recently accepting arms and other help from neighboring Iran. The Patriotic Union has denied it, but the charge makes it harder for the United States to intervene on the Union's behalf.

Meanwhile, Mr. Barzani's party is now aligned with Mr. Saddam, having invited his troops into the Kurdish area of Iraq. That is remarkable news because in the 1980s, the Iraqi leader gassed, uprooted and assassinated Kurdish civilians by the tens of thousands.

Tariq Aziz, Iraq's deputy prime minister, embarrassed Mr. Barzani over the weekend by disclosing a letter the Kurdistan Democratic Party leader was said to have written to Mr. Saddam on Aug. 22, asking for his military help. According to Mr. Aziz, Mr. Barzani addressed Mr. Saddam as "your excellency," and "pleaded" with him to "interfere to help us to ease the foreign threat" from Iran.

Kurdish and UN sources reported from Arbil that Mr. Barzani's soldiers had fought alongside Iraqi troops as they captured the city without much resistance from the Patriotic Union, and that they moved immediately into the Union's offices there. Mr. Talabani's forces were said to be still fighting in and around the city.

Some Kurdish activists and experts on the region believe that this crisis could have been averted if the Clinton administration had more forcefully denounced a brief Iranian incursion into the Kurdish area of Iraq several weeks ago and had worked harder to broker a peace agreement between the feuding factions.

"This is a result of us not taking a stronger position earlier this year," said Kathryn Porter, president of the Human Rights Alliance, a private Washington-based group that tries to mediate among the Kurdish factions. "We should have worked harder to bring the two sides to peace."

"With this action, Saddam is asserting his power, saying, 'I can't be ignored,' " said Barham Saleh, a representative of Mr. Talabani's group in Washington, who has requested U.S. military help in reversing Mr. Saddam's incursion.

"Saddam's calculation is the U.S.'s response won't be adequate or timely," he said. "He's making a challenge to the credibility of American power. Everybody in the U.S. leadership realizes the consequences of a failure to confront Saddam."

After an unsuccessful uprising against Mr. Saddam at the end of the Gulf War, many Kurds fled north of the 36th parallel, which the United States and its allies established as a "no-flight" zone that Mr. Saddam's military aircraft were barred from entering.

The United States tried to broker a Kurdish peace, but it was ruptured in 1994 when the Patriotic Union became enraged that the Kurdistan Democratic Party was failing to share revenue from illicit oil trade with Turkey. The Patriotic Union, which controls about 70 percent of the Iraqi Kurdish population, took over Arbil that year.

Continued sporadic U.S. mediation efforts, conducted in Ireland and in the Kurdish region itself in 1995 and early 1996, failed to do more than preserve a fragile cease-fire. Moreover, the Clinton administration never followed through with plans to finance a small monitoring force of neutral Kurds and other opposition forces to heal the breach between the two groups.

Iran stepped into the virtual void in 1995, attempting to step up its influence with every passing month.

Late last month, Iran was sufficiently emboldened to launch a major incursion deep into Iraqi Kurdistan, ostensibly to close down the operations of Iranian Kurdish nationalists. Diplomats and regional powers concluded that Iran, by launching the incursion, was thumbing its nose at Washington and was willing to promote further fighting among the Kurds. The Barzani faction charged that the Iranians left behind vast quantities of arms, ammunition and other materiel with the Patriotic Union when they withdrew July 29.

Fighting resumed Aug. 17, the 50th anniversary of the founding of the Kurdistan Democratic Party by the revered nationalist leader Mustafa Barzani, father of its current leader.

Mideast Peace Renewal

Netanyahu-Arafat Meeting Is Signaled

By Serge Schmemann
New York Times Service

JERUSALEM — Despite all the dramatic gestures, public acrimony and political wrangles on both sides, the new Israeli government and the Palestinian Authority were reported Sunday to be near an understanding on moving forward with peace.

Israeli officials and television news programs reported that representatives of Prime Minister Benjamin Netanyahu and Yasser Arafat, the Palestinian leader, met through the night trying to conclude a deal that would include a joint announcement of renewed negotiations, a meeting between Mr. Netanyahu and Mr. Arafat, and a Palestinian agreement to renegotiate some details of the plan for Israeli withdrawal from Hebron.

In addition, there were reports that Israel was considering several "confidence-building measures," including an increase in the number of Palestinian laborers permitted to work in Israel from 37,000 to at least 50,000, the opening of a Palestinian airport in Gaza, and possibly the release from detention of Sheikh Ahmed Yassin, the ailing spiritual leader of the militant Islamic movement Hamas.

For his part, Mr. Arafat made a critical concession last week when he quietly closed two Palestinian offices in Jerusalem, which the Israelis had declared an obstacle to the Hebron withdrawal.

Initially, Foreign Minister David Levy suggested to reporters while on a visit to Egypt that the package could be announced Sunday. But officials close to the talks declined to set a deadline, noting that the deal was not yet concluded and could still come up against obstacles or disruptions from either side.

The announcement of resumed peace talks would represent a milestone for both Mr. Netanyahu and Mr. Arafat, since no Likud government has ever formally met with Palestinian leaders, and since criticism of the Labor government's peace with the Palestine Liberation Organization — and specifically its dealings with Mr. Arafat — were central themes in Mr. Netanyahu's election campaign.

Since coming to office, Mr. Netanyahu has faced escalating pressure from the United States, Arab leaders, Palestinians and many Israelis to resume the peace talks. Palestinians say Mr. Arafat has also had to realize that he has no option but to deal with the Likud government.

"We've both recognized that we're stuck with each other," said an Israeli official close to the talks. "We're stuck in a boat together, and if either one rocks it, we sink together."

Even while Mr. Arafat has thundered over the past week about an Israeli declaration of war and has called in Palestinians to hold protest prayers in mosques and churches, he and his lieutenants have continued holding private meetings with Mr. Netanyahu's representatives and foreign intermediaries.

And despite approval for new construction in Jewish settlements, the demolition of a Palestinian social center in Jerusalem and other well-publicized actions that the Palestinians denounced, Mr. Netanyahu defied inevitable outcries last week from Ariel Sharon and other hard-line members of his government and appointed a negotiating oversight committee that included only officials who had demonstrated a moderate stance toward the peace, including himself, Mr. Levy and Defense Minister Yitzhak Mordechai.

Officials said the negotiations on ways to restart negotiations have been taking place over the last month in informal meetings between Mr. Netanyahu's foreign affairs adviser, Dore Gold, and Mr. Arafat's deputy, Mahmoud Abbas.

A key role has been taken by Terje Larsen of Norway, the coordinator of UN activities in the Palestinian territories, and his wife, Mona Juul, a diplomat, who were also key intermediaries in the secret 1993 talks.



Reuters

Mr. Netanyahu and his wife, Sarah, bringing their son Yair, 4, to kindergarten on Sunday. Mr. Netanyahu carried another son, Avner, 3.

After the Iraqi Thrust, Will the Power Shift?

By Barton Gellman
Washington Post Service

JERUSALEM — Iraq's armored thrust to retake its rebellious Kurdish north has again raised the prospect of a realignment of power in a region that has seen several in the last decade.

As Iraq's neighbors waited mostly in nervous silence, Turkey, which stands perhaps to lose the most, made itself clear on one count at least: It would not tolerate a repeat of the exodus of Iraqi Kurds into Turkey's southern mountains that accompanied the last such Iraqi attack in 1991.

"Turkey is determined not to allow a new migratory movement to its own borders from northern Iraq," the Foreign Ministry in Ankara said. "It will take all necessary measures to prevent such developments."

About 2 million Kurds fled to Turkey after the government in Baghdad crushed a failed rebellion following Iraq's defeat in the 1991 Gulf War. The American-led alliance forced a halt to President Saddam Hussein's assault on the north that year, banning flights by Iraqi combat aircraft there and establishing a "safe haven" in which Iraqi ground troops were also forbidden.

Reaction in Syria and Iran, which have restive Kurdish populations of their own and a common interest in suppressing Iraqi power, is likely to turn on whether the capture of the city of Arbil marks a restoration of Baghdad's power in the Kurdish north or a prelude to a new setback at the hands of the coalition that drove Iraqi forces out of Kuwait five years ago.

Unconfirmed reports from Arbil said Iran had sent troops across the border to defend its factional allies.

In Jordan, which allied itself in recent months with American-led efforts to topple Mr. Saddam, government officials there said they would not allow use of Jordanian soil to support any intervention in the fight. Jordan was host to an American "air expeditionary force" of 30 F-16 and F-15 strike fighters between April and June and permitted them to fly more than 900 missions to police a "no-flight" zone declared by the United States and its allies in southern Iraq.

Jordan has expressed discomfort for some time with what it regards as an unstable status quo in its powerful neighbor to the east, in which strict economic sanctions weaken Iraq and allied aircraft prevent Iraqi forces from exerting full control over rebellious Kurds in the country's north and Shiites in the south.

"When you leave a central government in power that has lost control of its north and south, and when you leave an embargo in place, it's a very dangerous recipe," said an official who spoke for the government on condition of not being identified. "You have to expect that countries in the region can use this power vacuum to their own advantage."

If the Clinton administration wishes to mount a punitive strike against Iraq, of the sort conducted more than once since 1991, it does not require anything more than the cruise missiles and combat aircraft aboard its ships in the Gulf and the eastern Mediterranean. If it considers the extended air campaign that would be necessary to make a real difference against three armor-heavy Iraqi divisions in Arbil, it would have to depend primarily on bases in Turkey.

The Associated Press, citing U.S. diplomatic sources, reported that Secretary of State Warren Christopher had asked Turkey "to persuade Iraq to stay out of northern Iraq and to explain the dark consequences" of its intervention there.

Among the motivating factors for Turkey is the sudden prospect of another long delay in the opening of a joint oil pipeline with Iraq. Before the weekend military assault, Iraq was poised for its first oil sales since the United Nations embargo that followed its invasion of Kuwait in 1990. Turkey counted on the pipeline to recoup what it asserts are $23.7 billion in losses since the trade embargo with its southern neighbor began.

Here in Israel, the government generally supported Kurdish autonomy in northern Iraq and had strong historical ties to the Kurdistan Democratic Party of Massoud Barzani. But Mr. Barzani's apparent invitation to Mr. Saddam to intervene against his rival faction, the Patriotic Union of Kurdistan led by Jalal Talabani, appears to have left the Jerusalem government with little appetite for either side.

The "one hopeful result" from the Gulf War," said an Israeli Foreign Ministry official, "was Kurdish autonomy, but at the end of the day it's the Kurds who are messing things up. The rivalry between the two factions is ending all hope of a national future."

YELTSIN: *While Cloak of Secrecy Covers Russian Leader's Health, an Aide Tells of His 'Colossal Weariness'*

Continued from Page 1

dition or treatments. According to a former press secretary, Pavel Voschanov, Mr. Yeltsin hates to see anything in public about his health. Mr. Voschanov recalled in a recent article in the newspaper Komsomolskaya Pravda that Mr. Yeltsin canceled a meeting with a Japanese diplomat in 1992, and his spokesman blamed it on heart trouble. But Mr. Yeltsin contradicted this the next day, saying, "I have not and have never had any heart problems. I'm in excellent shape and take a cold shower every day."

It is known that Mr. Yeltsin has heart disease, for which he was hospitalized twice last year. Official reports on Mr. Yeltsin have described coronary artery disease, the most common heart ailment — and most common cause of death — in both the United States and Russia. Mr. Yeltsin apparently suffers from a partial block in an artery that brings blood to the heart, and may also have diseased heart valves.

According to official reports, Mr. Yeltsin's second episode last year, in October, was more severe than the first.

The illness before the election this year may have been a third flare-up. At the time, Mr. Yeltsin apparently was suffering from a respiratory problem brought on by a rainy campaign visit to the Baltic enclave of Kaliningrad the weekend before.

There is widespread speculation that Mr. Yeltsin needs heart surgery, but it is not known whether he is willing to undergo it, or what other risks he may face, and he has never discussed it publicly. However, he did announce recently that he would not go abroad, a statement that came on the heels of a Time magazine report that he might have heart surgery in Switzerland.

When Mr. Yeltsin fell ill just days before the election, his entourage went to great lengths to mask his condition. Aides said he had a cold, a sore throat or laryngitis.

According to the Russian political source, the Kremlin also manipulated television images of Mr. Yeltsin shown before the election. At Barvikha, for example, the television crew used two cameras — one head-on and one from the right. Mr. Yeltsin was sitting at a desk and reading from a TelePrompTer. He tried to run through the short speech three times, but was breathing hard. Most of the tape was unusable, and, according to a participant, it took nearly three hours of culling from the tapes to come up with a three-minute segment.

"It was like trying to find gold in the sand," the source said. "Our job was to show he looked better than in reality." Even so, the final tape looked jerky, and Mr. Yeltsin seemed wooden.

Mr. Yeltsin often has disappeared at moments that were politically difficult or embarrassing, such as when he checked into a hospital for nose surgery at the outset of the Chechen war. But his disappearances cannot be written off entirely to political scheming. A few Russian politicians who have seen him lately, and others who have not but are close to the Yeltsin circle, say he is ill, and they describe his appearance in similar terms. For example, a political adviser, Georgi Satarov, said recently that Mr. Yeltsin was suffering from "colossal weariness." He added, "He is an elderly man; there is nothing you can do about it. The years take their toll."

Others also have said Mr. Yeltsin can summon up energy only sporadically. Mr. Yeltsin remains sharp, they said, but much of the time he seems to be exhausted.

A Western diplomat said that a noticeable aspect of Mr. Yeltsin's ailment is that it appears to come and go unpredictably. For example, Mr. Yeltsin appeared drawn and slurred his words during his brief inaugural ceremony, but seemed better at a reception afterward.

For outsiders, including journalists, politicians and diplomats, the mystery surrounding Mr. Yeltsin's health has revived the art and science of studying clues about the leader's well-being, not unlike the Brezhnev days.

Leonid Radzikhovsky, a political speech writer and former member of the Russian Parliament, said in an interview that despite long absences and illness, Mr. Yeltsin can govern from a distance because Russia's nascent democracy remains dominated by an oligarchy — and demands little more of Mr. Yeltsin than to control the elite.

"He's out of view, but it's a Russian tradition," Mr. Radzikhovsky said. "After 1945, Stalin was out of view for years. For some years we saw only a mannequin of Brezhnev."

ISLAM: *Long Record of Financial Woes and Lawsuits Conflict With Farrakhan's Goals*

Continued from Page 1

a tradition for blacks. It is as true among them as anybody else, you have to crawl before you walk," he added.

Seventy-four lawsuits have been filed, mostly in Chicago, against Nation corporations and some of the group's officials over the last 10 years in an effort to collect about $1.9 million in claims.

The Nation has paid only a fraction of that amount. About $1.5 million in court judgments, liens or secured claims was still outstanding as of a month ago, records show.

The debts include $235,773 in overdue taxes on Nation-owned properties and more than $1 million in federal and state payroll taxes. Employees of security companies in Chicago, the District of Columbia and Baltimore that are owned by Nation of Islam leaders also claim in state and federal labor agency complaints that they are owed wages.

Today, the Nation or its top officials own a toiletry company, the Salaam Restaurant, the Final Call newspaper, a Georgia produce farm and private security companies that have had contracts in Chicago, New York and the District of Columbia.

The ventures were financed through donations, bank loans and a $5 million loan from Mr. Gadhafi that was made in 1985.

The Salaam Restaurant, a showplace whose royal blue banners flutter from poles along an otherwise worn and shuttered street, illustrates the pattern.

In 1982, Mr. Farrakhan began asking for donations to help build a center for black Americans that would include not only a restaurant but also a bakery, warehouse, health food store, bookstore, auditorium, barber salon, job-training classrooms and a soup kitchen.

Fourteen years later, Mr. Farrakhan opened last March a small part of the grand plan — the Salaam Restaurant and Bakery and a bookstore across the street that sells the minister's books and tapes. A sign in a neat flower bed calls it "The Palace of the People."

Court records show that the restaurant faces $379,451 in court judgments and liens to contractors and suppliers. From the uniforms on the waitresses to the facade's concrete panels, much of the restaurant has yet to be paid for.

Mr. Farrakhan had tried a patchwork of fund-raising efforts, but by 1987, he began copying more closely the fund-raising techniques used by a predecessor, Elijah Muhammad. Final Call advertisements asked for donations to the Three Year Economic Program, a plan to build black-owned banks and businesses, and the Number Two Poor Treasury, a program to help Mr. Farrakhan "continue the work of the Honorable Elijah Muhammad in resurrecting the Black Man and Woman in America." The two fund-raising programs were reincarnations of ones used by Elijah Muhammad.

How the Nation spends donations has never been audited, according to the Illinois Attorney General's Office. States historically have taken a hands-off approach to monitoring religious organizations unless there is an accusation of consumer fraud.

"You don't have an army of people in the Nation saying, 'We've been fooled,' " explained Floyd Perkins, chief of the charitable trust bureau of the Illinois Attorney General's Office.

The Nation is not specific about how donations will be used. Solicitations say only that "your contribution helps Minister Louis Farrakhan in furthering the work of the Honorable Elijah Muhammad."

EMU: *Kohl and Chirac Reaffirm Intentions for Single Currency*

Continued from Page 1

many had said Friday that its budget deficit, despite overshooting its target this year, would be under 3 percent of gross domestic product next year, a Maastricht treaty condition for the launching of the single currency.

Fears about labor unrest in France heightened Saturday, after Marc Blondel, the head of France's Force Ouvriere union, which led a crippling transport strike last year, attacked plans for austerity in the 1997 budget.

"We have the same situation as last year; all ingredients of discontent are there," Mr. Blondel said in an interview published in the daily Le Monde. "Until now the French viewed difficult times as unavoidable and unemployment as a trial. But gloom is progressively turning into discontent and anger."

Force Ouvriere has called a protest march for Sept. 21 as a warning to the government.

Bonn also faces a struggle to get its budget deficit inside the limits required to qualify for monetary union, but has so far been more effective than Paris in pushing through welfare cuts against union opposition. *(Reuters, AFP)*

■ Italy and Exchange Mechanism

Foreign Minister Lamberto Dini said Saturday that he expected the lira to return to the exchange-rate mechanism late this year or early next, Reuters reported from Rome.

"We have begun contacts, the climate is absolutely favorable for us to achieve this by the end of the year or the start of 1997," he told La Stampa newspaper.

The lira crashed out of the exchange grid in 1992 but Prime Minister Romano Prodi's center-left government has vowed to return it swiftly and to make Italy a founding member of European economic and monetary union.

Mr. Dini said Italy would adhere to the rigorous economic criteria for joining a single currency.

IRAQIS: *Washington Vows to Respond*

Continued from Page 1

Spokesmen for the Iraqi National Congress, an opposition group in exile, told the Reuters news agency that Iraqi forces had begun a house-to-house search in Arbil, where they rounded up and executed 96 Iraqi Army defectors. Iraqi forces and an allied Kurdish group appeared to be in full control of the town.

There were sketchy reports of scattered fighting in Arbil on Sunday.

General John Shalikashvili, chairman of the U.S. Joint Chiefs of Staff, reportedly arrived Sunday in Riyadh to discuss the situation with Saudi officials, Agence France-Presse said, citing diplomatic sources.

In Iran, the official press agency, IRNA, reported that Iraqi troops and their Kurdish allies had captured As Sulaimaniya, the second-largest city in the region, on Sunday. The report cited unidentified sources close to Iraqi Kurds.

Iraq's state-run media warned the United States and its Western allies not to intervene on behalf of the Kurds. The newspaper Al Jumhouriya said in a front-page editorial that the Iraqi people were "ready to provide an example that will inevitably remind the Americans of the Vietnam complex."

President Clinton had voiced "grave concern" about the Iraqi actions on Saturday, in announcing that U.S. forces were being placed on high alert.

The United States has no ground troops in the immediate area, but 200 land-based planes are within range of northern Iraq and an additional 75 are aboard the aircraft carrier Carl Vinson, the command ship of a 21-vessel fleet in the Arabian Sea.

The number of U.S. overflights in the northern zone has been doubled, from 40 to 80 a day, U.S. officials said.

Unlike the situation created by Iraq's invasion of Kuwait in 1991, the current situation pits two Kurdish factions against each other, both on Iraqi territory. One of the two, the Kurdistan Democratic Party, headed by Massoud Barzani, reportedly invited the Iraqi forces to help it fight the second group, the Patriotic Union of Kurdistan.

Jalal Talabani, who heads the Patriotic Union, said Sunday in a telephone interview with ABC-TV that he hoped for U.S. assistance but would turn to Iran for help if need be. Iraqi officials have warned Iran not to interfere.

Mr. Talabani said a large number of tanks and armored cars were patrolling Arbil, and that all houses linked to the opposition had been destroyed.

Earlier, a spokesman for the opposition Iraqi National Congress in London told Reuters that the Iraqi Air Force and heavy weapons had attacked the Kurdish towns of Bustaneh, near Arbil, and Kifri.

The weekend's events drew a sharp charge from Bob Dole, the Republican presidential nominee, who said Sunday that the administration had been irresponsibly lax toward Mr. Saddam. "For the last several weeks, the threat on the Iraqi border has been rising," he said in a speech to a National Guard association, "but the Clinton administration delegated the matter to low-level staffers."

Herald INTERNATIONAL Tribune
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Grumpy Germany

When the Iron Curtain fell in 1989, there was no more important consequence than the reunification of Germany. Seven years later the joining of East and West Germany attracts less attention but is no less critical to the future of Europe. Fortunately, for an undertaking this gargantuan, unification is progressing relatively well. It seems to be meeting everyone's expectations — except the Germans'.

Half of West Germans say in opinion polls that they are dissatisfied with unification; 38 percent of East Germans agree. One in five Easterners would like communism back.

This nostalgia is more understandable in East European countries now stripped of their security blankets. Unification has thrown East Germans into the arms of one of the world's most generous welfare states. Bonn is pouring well over $100 billion annually into Germany's five new eastern states, more each year than the total cost of the Marshall Plan in today's dollars. East Germans are richer and freer than their former Communist neighbors and richer and freer than ever before. Yet they do not seem very happy about it.

Chancellor Helmut Kohl cast unification's fate in July 1990, when he allowed East Germans to convert Ostmarks to Deutsche marks at an overvalued one-to-one exchange rate. That stopped the stampede of East Germans westward, and pleased the East German majority, who wanted to dump everything socialist and become West Germans as fast as possible. Mr. Kohl also decided to raise Eastern wages as close to Western wages as possible. The policies enabled Eastern consumers to buy Western goods. But they killed East German factories and cut investors' incentives to build new ones in a place whose infrastructure has been largely untouched since Hitler's time.

Today East Germans are paid at 81 percent of Western levels, but are only 55 percent as productive. Unemployment is now over 15 percent, while in the West it is 9 percent. Women have been particularly hard hit.

But the East has grown, in recent years, at the fastest rate in Western Europe. At current investment levels, productivity may equal West Germany's in 10 years. Meanwhile, the welfare state cushions the blow. The unemployed make more than they did working under communism.

The Kohl government is now proposing to cut these and other programs to help an East that Westerners see as ungrateful. Particularly unpopular is a 7.5 percent unification tax, especially because Mr. Kohl had told West Germans that the process would not require a tax increase.

But unification deserves only some of the blame. Scandinavian nations are trimming their social programs. Unemployment is high all over Europe. Some of Germany's cuts — like free stays at a health spa every four years instead of three — hardly seem onerous. Indeed, parts of the West, notably Bavaria, are booming. The surprise is how well Germany is doing despite its burden.

The Easterners' underlying problem may be less financial than psychological. While the Czechs and Poles are proud to be building their new nations, victorious over communism, each new day reminds East Germans that they lost the Cold War and must defer to the victors. The most powerful position that any Easterner holds in Germany today is state premier.

To many in Eastern Germany, closing a factory is not a necessary economic adjustment but a cruel penalty of capitalism. East Germans thought of themselves as the stars of the socialist economy. Now they are told that their work was second-rate. Even if Dresden became as rich as Düsseldorf overnight, many East Germans would resent a process that seems to them less a marriage than an adoption.

— THE NEW YORK TIMES.

Incremental Clinton

Bill Clinton says the era of big government is over, but to judge by his acceptance speech in Chicago the era of busy government is not.

He said that he would have the government: help teach more children to read but keep them from watching the wrong television shows; take the opening steps toward making 14 years of education as universal as 12 are today; subsidize the creation of additional jobs, particularly for welfare mothers forced off the rolls by the retrograde bill that he himself has just signed; give workers the right to take more family leave when they need it; increase federal support for home ownership; help more people pay the cost of health insurance — and, well, there is more.

Yet of course he also promised to balance the budget while protecting Medicare and Medicaid, which are a principal source of the projected imbalance. He chided the Republicans for proposing tax cuts that would threaten these central programs.

You wonder how it adds up, and the answer is that it doesn't — but perhaps not in the way you think. Presidents are forever trying to sound simultaneously generous and fiscally responsible in election years. There is always a contradiction, which they struggle more or less to work out afterward. There is some of that in Mr. Clinton's current case. But the great mismatch with most (not all) of his proposals lies in the opposite direction: Not that they would cost some large amount more than he suggests, but that they would likely accomplish less. George Bush only pretended to have more will than wallet; for Mr. Clinton the affliction is real.

Some of what sounded like proposals in his speech were not really proposals at all — not for any federal action, at any rate. They were enunciations of goals for others to achieve. The president had a lot to say about education and crime, for example, both of which are primarily areas of state and local responsibility. "We must give ... all parents the right to choose which public school their children will attend ... let teachers form new charter schools with a charter they can keep only if they do a good job ... keep our schools open late ... reward teachers that are doing a good job, remove those who don't measure up." But state and local officials make those decisions; that is all hortatory on his part.

Other proposals sounded large but in fact would be quite small. Both parties have fallen into the habit in recent years of using multiyear rather than annual cost estimates in describing proposals. Sometimes it is a useful practice, as when the true cost has been backloaded or deferred, but mostly it is confusing, particularly as the number of years keeps changing. You will hear that the president, or someone, is proposing a multibillion-dollar program, which will be true over five or seven years but on an annual basis will amount to much less. The job-creating program that the president announced the other day is in this category; so also the tax cut for home owners on the capital gain from the sale of a home. It is a large glass with a false bottom; it turns out not to hold much.

On the other hand, there were two ideas in the speech of which the reverse is true. They could prove more important than they were made to sound.

One is the president's proposal to provide tuition tax breaks to help pay the cost of post-secondary education. The language in which the proposal has been couched has tended to obscure what it would represent: a two-thirds increase, when fully effective, in federal aid to higher education, and for much of the population — all but those with the highest incomes and those too poor to owe taxes — a major new entitlement. The president says that it would increase access to higher education and help make the 13th and 14th year of education universal. Our own sense is that it would far more likely end up subsidizing people who would go to college anyway, and, since it would be the government paying, encourage a further increase in college costs.

The president also said in the speech that he would return in a second term to the problem of health care insurance, which a seventh of the population continues to lack, in part for reasons of cost. Three years ago he proposed a system of universal health care coverage, and lost. He returns as an incrementalist. He said Thursday night that he would at least like to help "unemployed families keep their health insurance for up to six months." Hillary Rodham Clinton, in mentioning the same idea on Tuesday, added, "And our nation still must find a way to offer affordable health care coverage to the working poor and the 10 million children who lack ... insurance today." That would be a major initiative and, in our judgment, a worthy one.

Medium government, you might call it, if in fact you think that the era of big government is over.

— THE WASHINGTON POST.

Herald INTERNATIONAL Tribune
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST
ESTABLISHED 1887
KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER
Co-Chairmen
KATHARINE P. DARROW, Vice Chairman
RICHARD McCLEAN, Publisher & Chief Executive
MICHAEL GETLER, Executive Editor
• WALTER WELLS, News Editor • PAUL HORVITZ, Deputy News Editor
• KATHERINE KNORR and CHARLES MITCHELMORE, Deputy Editors • SAMUEL ABT and CARL GEWIRTZ, Associate Editors • ROBERT J. DONAHUE, Editor of the Editorial Pages
• JONATHAN GAGE, Business and Finance Editor
• RENÉ BONDY, Deputy Publisher • JAMES McLEOD, Advertising Director
• JUANITA L. CASPARI, International Development Director • DIDIER BRUN, Circulation Director.
Directeur de la Publication: Richard McCleon

International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France.
Tel.: (1) 41.43.93.00. Fax: Circ., (1) 41.43.92.10; Adv., (1) 41.43.92.12. E-Mail: iht@iht.com
Editor for Asia: Michael Richardson, 5 Canterbury Rd., Singapore 0511. Tel. (65) 472-7768. Fax (65) 734-2334.
Mng. Dir. Asia, Rolf D. Kruneguld, 30 Gloucester Rd., Hong Kong. Tel. 852-2922-1188. Fax: 852-2922-1190
Gen. Mgr. Germany: T. Schlüter, Friedrichstr. 15, 60323 Frankfurt/M. Tel. (069) 72 67 55. Fax: (069) 72 73 10
Pres. U.S.: Michael Conroy, 850 Third Ave., New York, N.Y. 10022. Tel. (212) 752-3890. Fax: (212) 755-8785
U.K. Advertising Office: 63 Long Acre, London WC2. Tel. (171) 836-4802. Fax: (171) 240-2254
S.A.S. au capital de 1.200.000 F. RCS Nanterre B 732021126. Commission Paritaire No. 61337
© 1996, International Herald Tribune. All rights reserved. ISSN: 0294-8052.

Waiting for Netanyahu to Get the Real Picture

By Thomas L. Friedman

NEW YORK — Events always tend to move swiftly in the Middle East, but even for this region it is striking how swiftly all the bad ideas that Israel's prime minister, Bibi Netanyahu, came into office with have been swept aside by the realities of his neighborhood.

None of this should be surprising. It was obvious during the campaign that Mr. Netanyahu was very adept at playing on Israelis' anxieties about the Labor-led peace process. But it was equally obvious that he never had any plan of his own for delivering the "peace with security" that he promised.

So his first 100 days have been characterized by half-baked proposals that have gone nowhere — so much so that the Israeli press is full of talk about the leadership vacuum at the top in Israel.

He tried to get Syria to help Israel out of Lebanon, but while refusing to offer Syria an Israeli exit from the Golan Heights. That went nowhere fast.

He assumed that he could get Yasser Arafat to cooperate on preventing violence, but without having to sully himself by meeting Mr. Arafat. That plan came a cropper when President Ezer Weizman said that he would meet Mr. Arafat to keep the peace process alive if Prime Minister Netanyahu didn't.

Mr. Netanyahu assumed that he could maintain good economic ties with the Arab states, even if he didn't advance the peace process much, but the threat by Egypt to cancel the Mideast economic summit set for Cairo in November, if Mr. Netanyahu was not more forthcoming to Palestinians, killed that notion as well.

There are three core reasons for Mr. Netanyahu's dysfunctional first 100 days. One is that he would truly prefer to freeze Israeli-Palestinian and Israeli-Syrian relations where they are — with no further peace moves, but with no deterioration to war. Because to take any serious further steps toward peace would force him to rethink his ideology, and to expose Israel to war would destroy him with his public.

But this leaves him walking in place, and exposed to the latest, greatest pressure. So when his settler constituency is mad, he throws them a bone of a new settlement. When the Arabs get mad, he tries to appease them with a meeting.

It would be unfair to expect Mr. Netanyahu to carry out the Labor peace policies. But he has offered no coherent initiative for delivering peace with security that would have his own unique stamp on it and have some credible prospect for success.

The second reason is that he has so few people around him whom he trusts. Many of his cabinet colleagues are rivals who despise him, and the feeling is mutual. So he and his aides are fighting constant turf wars with others.

Foreign Minister David Levy met with Mr. Arafat last month, agreed to resume negotiations, and then nothing happened because Mr. Levy and Mr. Netanyahu could not agree on who would lead their side.

Mr. Netanyahu demands that Mr. Arafat close certain Palestinian offices in Jerusalem, he does it, and then Mr. Netanyahu responds by expanding Jewish settlements, bulldozing an "illegal" Palestinian center for the disabled and blocking Mr. Arafat from flying his helicopter to the West Bank, humiliating the Palestinian leader and hampering his ability to further compromise with Israel.

All this at a time when Israeli security officials say that Mr. Arafat has been very effectively preserving the peace. Now, under pressure from America, Egypt and his own security officials, Mr. Netanyahu is trying to defuse the tension by exploring a framework for reviving negotiations with Mr. Arafat.

The third reason, as Israel's leading columnist, Nahum Barnea, pointed out, is the "arrogance" and "thickheadedness" of the Netanyahu team, which came in assuming that they could simply dictate to the Palestinians and not treat them as partners.

Mr. Netanyahu's first impulse is to try to deflect or sound-bite his way out of problems, rather than really open his mind to evolving realities. He often has the answer before he hears the question. Yet he has aspirations to greatness.

That is good. But to achieve such greatness is going to require a much more fundamental relearning than he realizes. If he does that, he can bring to Israeli society a consensus about moving forward that no one else can. If he doesn't do that relearning, he not only will miss out on the personal greatness to which he aspires, but he also will plunge Israel into a very, very serious crisis.

The New York Times.

Political Puzzles: Cautious Gambler and Bold Underachiever

By David S. Broder

CHICAGO — Well, the Republicans and Democrats have had their say — and what have we learned from the convention extravaganzas? The lesson is something of a paradox.

Bill Clinton talked in soaring rhetoric, but he is making nothing but little plans. The Republican challenger, Bob Dole, spoke less eloquently but is inviting Americans to take a bold policy gamble, betting on a big tax cut to jolt the economy into faster growth. Whoever wins may be uncomfortable carrying out the policy of his campaign.

Mr. Dole, at 73, is no gambler. It is hard to imagine him rolling the dice for the high stakes that his economic plan involves. All his life as a legislator, his has been the voice of caution.

His skepticism about "supply-side economics" in the early 1980s was as much a matter of temperament as it was of intellect. He had been raised in a family where you paid your bills before you bought yourself a treat. The Depression reinforced that lesson.

Now he is promising a whopper of a tax cut, and saying that it can be done while still balancing the budget if only politicians show some backbone.

He may be right. But he also claims, for campaign purposes, that he will "protect" the Pentagon and the government's big medical and retirement programs from budget-cutters. That doesn't add up.

Those who have worked with Mr. Dole over the years say they believe he would retool the plan if elected, phasing in the tax cuts more slowly and scaling back the growth of entitlements as much as needed to prevent draconian cuts in defense and domestic spending.

That measured reduction in tax burdens and the scale of government would be enough to satisfy Mr. Dole — for whom the first night in a White House bedroom might well be reward enough for a lifetime of hard labor in public service.

But Mr. Clinton is another matter. Many who know him question whether the program he announced here would really be enough to keep the 50-year-old dynamo content for his final four years in the presidency.

What he put on the table Thursday night was presented in such powerful rhetoric that it almost obscured the minuscule scale of the changes he wants to make. They are, in essence, small appendages to the modest initiatives of his first term.

Family and medical leave legislation, for example, was the first bill he signed into law; it provides limited time off without pay for certain emergencies. A substantial change would be to provide the same leave to low-wage workers, with pay. That would be an important benefit to many who can't afford to go without income even for a week. But that is more than Mr. Clinton asks. He wants simply to broaden the law to allow time off without pay for doctors' visits and school conferences.

There are a couple dozen such small steps on the Clinton agenda. Individually they are politically appealing. But even if all of them were enacted, would they fulfill his desire to earn a place in history?

An administration colleague who has known him for more than half his life pointed out to me that in his speeches and conversations, Mr. Clinton cites two presidents more than any others, Abraham Lincoln and Franklin Roosevelt. Both men achieved greatness by being forced to deal with crises of enormous scale — the breakup of the Union and the struggle over slavery, and the Great Depression and World War II.

Unless the nation faces such a crisis, this man said, Mr. Clinton has to know that he could slip into the history books in league with others who risked little and achieved nothing notable. That would be at least as much at odds with his character as the big-gamble economic plan is for Mr. Dole.

In his biography "First In His Class," David Maraniss noted that those around Mr. Clinton worried that his behavior became more erratic as his decade as Arkansas governor wound down — with no great challenges. Richard Morris, his now banished political consultant, told Mr. Maraniss that Mr. Clinton needed "some important, valiant fight for the good of the world to lend coherence and structure to his life."

Mr. Clinton solved that problem by running for president. What does he do if he wins his last term in the White House?

The Washington Post.

Look How Strange American Politics Can Get

By E. J. Dionne Jr.

CHICAGO — Just how strange can American politics get? Here is President Bill Clinton's key strategist, the architect of his families-and-children-first strategy, accused on the front page of the tabloids of doing some kinky business with an expensive prostitute. Talk about mixed messages.

The story breaks at the most important moment of a successful if unexciting convention, depriving the president of the one day he will have had until the election as the unchallenged center of attention.

Then the president delivers an O.K. but largely tactical acceptance speech. He scores some points against Bob Dole, promises to fix the welfare bill, stays with the families-and-children stuff, and suggests that a whole bunch of small tax breaks will build his bridge to the 21st century.

What is wrong with this picture? Start with Dick Morris, the president's strategist with whom he is said to engage in a "mind meld" when it comes to political maneuvering. If the tabloid reports are true — and Mr. Morris chose to denounce but not deny them — you have to wonder why a strategist for an accident-prone campaign would take this chance.

For the sake of argument, put aside morality and focus only on duty. When you work for the president, you have some obligations, among them the obligation not to embarrass him. With this president, there is a special obligation not to embarrass him on matters involving sex. All the more so when you are building your guy's campaign around what the government can do to strengthen families.

Most of us understand human foibles. Still, how mystifying that a man who finally achieved what he had always wanted — to be the top political strategist in the country — should find himself upended this way.

But you can't let the tabloidization of American politics off the hook, either. Maybe it is sheer accident that this story broke at exactly the moment when it would do maximum political damage to President Clinton. Still, I sure want to know more about how this story came to be.

The motives of "the elite liberal media" are always under scrutiny, and media bashing is good sport in a free country. But what about the non-liberal media and the scandal-mongering media? What moves them, beyond a desire to make money?

If the report on Mr. Morris turns out to be true in its details (especially the allegations that the adviser shared speeches and presidential conversations with his companion), the story is a fair, if unsavory, shot. But since we are supposed to be in an era of complete disclosure, let's take a closer look at the Scandal Industry, more influential in American politics today than it has been in decades.

Mr. Clinton, who has been through these things before, did not let the Morris mess affect his performance at the podium. He proposed some intelligent tinkering — incentives to expand access to education and to encourage employers to hire welfare recipients. But in limiting himself to tinkering he reflected the collective confusion over how Americans get across that bridge to the 21st century that he kept talking about.

If you are not sure what to do about the big things — economic globalization, rapid technological change, downsizings — better to suggest smaller changes that might work.

Mr. Clinton did manage some decent rhetoric about the isolation of the inner city. The section about pressures on families spoke to the actual anxieties of actual people. David Axelrod, a Democratic consultant, said that those small but specific proposals have been playing very well in the focus groups.

But if one may cite Richard Nixon, there was no "lift of a driving dream" in this address. It was profoundly conservative.

The Christian Democratic Party in Germany ran (and won) year after year under the slogan "No Experiments!" Mr. Clinton's argument comes down to the assertion that Republican experiments with Medicare, Medicaid and supply-side tax cuts are dangerous. My guess is that, barring more weird scandals, the country will agree with the president and re-elect him.

But if he wins, his victory will not decide how America is to get across Clinton's Bridge. He has yet to give us much of a map — perhaps because no one has drawn it yet.

Washington Post Writers Group.

We Were Wrong About Flight 007

By Alvin A. Snyder

WASHINGTON — As the director of worldwide television for the U.S. Information Agency, I was summoned to a secret meeting at the State Department 13 years ago to discuss a television production. Entering a small conference room through a heavy metal door with a combination lock at its center, I was given an audio tape. I was instructed to produce a video document based on the contents of the tape that would be shown two days later at the UN Security Council.

Korean Airlines Flight 007, with its 269 passengers and crew, had strayed off course over a Soviet missile installation in the far Pacific and was shot out of the sky by Major Gennadi Osipovich in his Sukhoi-15 fighter. Minute by minute, American intelligence stations near the Soviet border had monitored Major Osipo-vich's pursuit of Flight 007 as it cruised on the last leg of its journey to Seoul, and its destruction on Aug. 31, 1983.

We fashioned a slick video that was played at the Security Council on Sept. 6, and beamed around the world by satellite — marking something of a new era of government-to-people diplomacy. The video was powerful, effective and wrong.

□

Our video was based on comments of the Soviet fighter pilots talking to their controllers as they stalked the plane. Using text in Russian and an English translation, along with a chronology and map of the route, the tape supported the contention that the Soviets wantonly shot down what they knew to be a passenger plane. They fired no warning shots and gave no signal for the plane to land.

The video became a key factor in what Secretary of State George Shultz promised in a memo to President Ronald Reagan would be a massive public relations effort "to exploit the incident."

The intent was to link the incident to nuclear disarmament issues. Raising concerns about Soviet integrity could do serious damage to the Kremlin's peace campaign to dissuade NATO allies in Europe from placing upgraded American nuclear weapons on their soil.

The U.S. ambassador to the United Nations, Jeane Kirkpatrick, introduced the tape. "Perhaps the most shocking fact learned from the transcript," she said, "is that at no point did the pilots raise the question of the identity of the target aircraft."

The crowd in the standing-room-only chamber hushed and watched as the horror unfolded. The restrained voices of the Soviet pilots could be heard above the heavy static as they narrated the final terrible moments of Flight 007.

The Soviet ambassador refused to turn around to look at the monitor directly behind him, and stared defiantly ahead, looking in every way the perfect heavy — a jowly, arrogant, unapologetic Soviet bureaucrat.

A Soviet journalist told me that our video was the biggest propaganda blow ever suffered by the Kremlin during the Cold War.

□

But in the last few years additional taped evidence has become public that makes clear that I was given only selective information — some of the pilots' words and none of the comments of the ground controllers. Those full conversations reveal that the Russians believed that the intruder aircraft was an American RC-135 reconnaissance plane, many of which flew routine missions in the area.

The tapes, compiled in the final report of the International Civil Aviation Organization's investigation of the incident released in 1993, told me what I did not hear.

U.S. government officials were aware of the tapes' content. They show that Major Osipovich could not identify the plane, and that he fired warning cannons and dipped his wings, an international signal to force the plane to land.

The controller said: "The target is military. As soon as it has violated state borders, destroy it. Arm your weapons ... The target has violated the state border. Destroy the target."

Former U.S. officials involved in the cover-up, who insist on anonymity, have told me that monitoring data was intentionally withheld from our UN tape. Beyond the propaganda value, the United States did not wish to tip off the Soviets to the sophistication of its intelligence along the Soviet border.

"Although untrue," a former State Department official told me, the tape "intimidated the Russians, and probably helped to prevent future such incidents and saved lives. We gave them a beating."

The writer is a former director of television for the U.S. Information Agency and author of "Warriors of Disinformation: American Propaganda, Soviet Lies and the Winning of the Cold War." He contributed this comment to The Washington Post.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1896: Not to Brazil

ROME — The decision of the government to prevent Italian ships from taking emigrants to Brazil has caused discontent in the Central and Southern provinces and in Sicily. If these people are compelled to return to their districts after having sold what little property they possessed, they are bound to suffer great privation and will certainly prove a source of serious embarrassment to the provincial authorities. Only a few of them have sufficient money left to pay for passages to Uruguay and Argentina, which, next to Brazil, are the favorite goals of the Italian emigrant.

1921: Dry in 10 Years

SAN FRANSISCO — "Make the United States dry in ten years" was the slogan at the opening session of the Woman's Christian Temperance Union's annual convention opening here. Prohibition has failed to achieve its object, convention leaders declared. Meanwhile, everything else is to be dropped. Short skirts can stay short. Rolled stockings can stay down. Men may smoke and women may rouge, but "hooch" must go.

1946: Oaths in India

NEW DELHI — Seven members of India's first popular government took their oaths of office today [Aug. 2]. They did so to the accompaniment of scattered disorders and general demonstrations by the Moslem League, which has sworn to make it impossible for the new government to function. All but one were wearing the Khadder (white homespun) popularized by Mahatma Gandhi. They swore loyalty to the King, faithfully to discharge their duties and keep official secrets.

هكذا من الأصل

LANGUAGE

If You're in New York, Fuhgeddaboutit

By William Safire

WASHINGTON — "Will copywriters ever capture the vernacular of New York City?" asked a "reefer" (a boxed promotion referring the reader to an article on an inside page) in The New York Times. The answer: *"Fuhgeddaboutit."*

Undaunted, a copywriter for Cathay Pacific airlines gave it a shot: "Changing planes to Hong Kong? *Forgetabouit.*"

No way, Jose; if you are going to run the three words together in an attempt to capture the New Yorkese flavor, you have to change the spelling to conform to the local pronunciation. In New York, the *r* in *forget* is as lost as that letter in *York*. As every *Noo Yawker* on Madison Avenue knows, the mnemonic to copywriters trying to go local is *Nevuh fuhget!*

To spell the elided words correctly is to miss the point of this elision field. In the earliest use of this rampant run-together that I can find, the mistake of overcorrectness is made: Paul Attanasio, in a 1985 piece in The Washington Post about the director Martin Scorsese, reported the moviemaker's "nailing home paragraphs with those shibboleths of resignation from the old neighborhood: 'Whaddaya gonna do?' *'Forgetaboutit.'"*

The reporter transcribed *whaddaya* properly. This elision of "what are you," first noted as *whaddye* in The New York Evening Journal in 1913, could be presented as *what're yuh*, but that rye bread would not have the necessary seeds: the sound of *t* is changed to *d* in this dialect and the internal *r* is banished — thus, *"Whaddaya gonna do, Mardy?"* represents the sounds of "What are you going to do, Marty?"

But trying to express the fierce derision and unalterable dismissal of *fuhgeddaboutit* in the somewhat prissy *forgetaboutit* is the linguistic equivalent of accepting the assimilation of the bagel: That formerly hard-crusted ethnic treat with the distinct hole has, as it has overtaken the doughnut in popularity across America, been transformed into a doughbagel — a large, soft, sometimes sweet, nearly holeless pastry eaten by copywriters who pronounce their *t*'s and use *r*'s.

If I sound uncharacteristically prescriptive about this, it is because *fuhgeddaboutit* shows early signs of becoming one of those global Americanisms, like the last century's *O.K.* or this century's *no problem*, and it's important to get it right. Indeed, one of the senses of the phrase is, like one sense of

There's more to catching the vernacular of New York City than meets the ear.

no problem, "it's no trouble, glad to do it, don't mention it, piece of cake," expressed in French as *de'rien* and in Spanish as *de nada*.

However, the main sense is a strong denial of possibility, with an admonitory overtone. With the first syllable separated, and the second syllable taking the stress, *fuh-GEDDaboutit* has eclipsed the infixed "abso-bloody-lutely nuh-uh," has driven out the crisply military "negative" and bids fair to replace "no way," with or without the rhyming emphatic of *Jose*.

It's a helluva coinage. *Helluva* is the elided form of *hell of a*, a phrase that suggested evil when it was coined in 1778, but its lumped-together form has gained a connotation of admiration.

Whaddaya know; helluva note. Gonna fuhgeddaboutit.

□

A stealthy euphemism stalks politics: It's the verb *experiment with*. When chosen to be the GOP convention keynoter, Representative Susan Molinari — an eminently respected working mother — was asked about past indiscretions. The upfront New Yorker said in a written statement, "Yes, close to 20 years ago, I did *experiment with* marijuana, less than a handful of times." It was, she asserted, "the wrong thing to do," but a White House official, perhaps worried about Republican charges that incoming Clinton staffers used harder drugs, promptly labeled her *experiment* "drug use," which leaves the length of time open-ended.

Why is it, wonders the New York Times reporter Neil Lewis, that the universal verb of choice in admitting to past drug use is *experiment*?

No politicians who recall actions involving drugs in the 1960s claim to have *used* illegal substances; that would make them *users*, which connotes at least regular use. Nor do they say they *tested* drugs, which suggests measurement for effectiveness. *Dabbled in* connotes a ho-hum carelessness and *fooled around with* is dismissive.

The most neutral term, *tried*, is rarely used. Nor does the careful public figure admit to *smoking* pot or *snorting* cocaine or, heaven forfend, *mainlining* heroin; those verbs are too vivid. Hence the innocent, antiseptic *experimented with*, implying a scientific examination, undertaken not for pleasure but out of curiosity or scholarly interest, and finessing questions of frequency or length of use.

It's a great euphemism, gone largely unremarked; listen for it during the next political confession. Perhaps mindful of the derision that followed Bill Clinton's 1992 "When I was in England, I *experimented with* marijuana a time or two and I didn't like it and didn't inhale," the White House press secretary fearlessly eschewed the euphemism at a briefing: "I was a kid in the 1970s. Did I smoke a joint from time to time? Of course I did."

But White House euphemists forced Mike McCurry to backtrack, and a week later he penitently apologized for having "communicated a cavalier attitude." Spokesmen everywhere took note: Stick to the safe verb *experiment*. (I *smoked pot* when I was 19, doing an article about teenage drug use, but that was before *experiment with* was cool.)

New York Times Service

BOOKS

WHEN WORK DISAPPEARS: The World of the New Urban Poor

By William Julius Wilson. Knopf. $26. 352 pages.

Reviewed by David J. Garrow

WILLIAM Julius Wilson is the most celebrated black American social scientist. Four months ago a laudatory profile in the New Yorker heralded the forthcoming publication of this book and emphasized that Wilson's work is of political as well as academic importance: President Bill Clinton "often calls on Wilson for advice, inviting him to dinner and soliciting memorandums."

The New Yorker touted "When Work Disappears" as Wilson's "magnum opus," "more ambitious and accessible than anything he has published before." Expectations for this new work have indeed been high; Wilson's acknowledgments report that more than a dozen foundations and other funding sources have invested hundreds of thousands of dollars in his research.

Nine years ago, reviewing Wilson's previous volume, "The Truly Disadvantaged," I called his work "sophisticated and persuasive," "insightful and tough-minded." Regrettably and surprisingly, "When Work Disappears" is none of those things. Instead, much to my dismay, it is an embarrassingly weak and uninteresting work, a book that recapitulates some of Wilson's previous arguments while adding almost nothing new. It will have none of the influence of "The Truly Disadvantaged" and indeed may stimulate journalistic curiosity into why such a mountain of financial support has brought forth such a molehill of analysis and conclusions.

"When Work Disappears" is sometimes careless and oftentimes unoriginal. Careful students of Wilson's work will recognize how large portions of chapters one, two and seven are drawn almost verbatim from essays he published as much as five years ago in such scholarly journals as Political Science Quarterly and the Michigan Quarterly Review. Far more seriously, an attentive reader of this book may notice how a large section of text that first appears on page 29 reappears on page 152.

Wilson's underlying argument will be totally familiar to anyone who knows his writings: "The disappearance of work and the consequences of that disappearance . . . are the central problems of the inner-city ghetto." A "precipitous drop in manufacturing employment" heralded a "nationwide decline in the fortunes of low skilled workers." To Wilson, "the joblessness of the poor . . . represents the more extreme form of economic marginality experienced by large segments of the population."

Nine years ago, Wilson spoke of the "underclass" without squeamishness; now — without offering any explanation for his change of heart — he dismisses the term as an "epithet." Far more than ever before, Wilson seems acutely defensive about those who have criticized him from the left, and he now wants to rebut "the myth that inner-city residents do not share the values and aspirations of mainstream society."

David J. Garrow, author of "Liberty and Sexuality" and the Pulitzer Prize-winning "Bearing the Cross," wrote this for The Washington Post.

BRIDGE

By Alan Truscott

THERE is one North American bridge record that will never, paradoxically, be won by an American or a Canadian. It is the record for the fastest acquisition of the title of life master, and that is because a player who learns the game on his native soil acquires acquires his expertise and his master points slowly, while a foreign player with a developed talent can get quickly out of the starting blocks.

Thirty-three years ago Jeremy Flint of England, who represented Britain in many international championships, spent a year in North America. Playing primarily with Peter Pender, he became a life master in 11 weeks and finished second, behind Pender, in the race to accumulate the most points in the calendar year.

Seven years ago Sabine Zenkel, an established German star who is now married to the Danish espert Jens Auken, achieved the same feat in just 53 days.

The record has now been cut to 42 days, perhaps the practical limit for such an effort, by a little-known Icelandic player, Jakob Kristinsson, 33. With a support group consisting of Hjordis Eythorsdottir, Curtis Cheek, Brian Gunnell and Jane Bradley, he won his final points in Grand Rapids, and his subsequent visit to the National Championships in Miami Beach became a celebration rather than the final spurt.

The diagramed deal from a team game in Grand Rapids helped Kristinsson, nicknamed Kobbi, to reach his goal.

As South he arrived in two spades against silent opponents, and was in danger of losing two tricks in spades, hearts and clubs. He ruffed the third heart lead, and played a spade to the queen and ace. East returned a spade to dummy's king, and South cashed the diamond ace and ruffed a diamond. He then led the club nine, and West took the king and led another heart.

South ruffed and played one more trump, forcing East to win with the jack and play a minor suit. He tried a diamond, and South won in dummy and led the club jack. This pinned the ten in the West hand, and a contract that failed in the replay came home.

NORTH (D)
♠ K Q
♡ 7 6 4
◇ A K 10 5
♣ J 7 6 3

WEST
♠ 9 3
♡ K Q 9 5 2
◇ 7 6 4 3
♣ K 10

EAST
♠ A J 2
♡ A J 10
◇ Q 9 7 6
♣ Q 5 2

SOUTH
♠ 10 8 7 6 5 4
♡ 8 3
◇ 2
♣ A 9 8 4

East and West were vulnerable. The bidding:

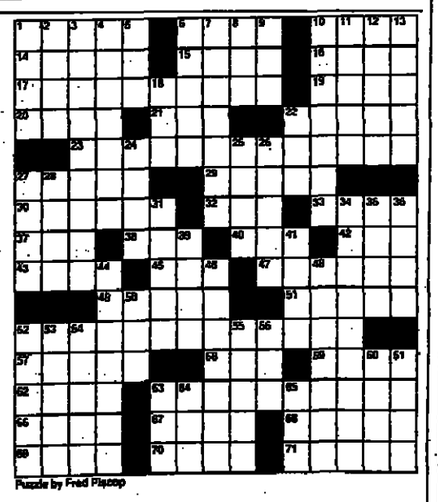
North	East	South	West
1 ◇	Pass	1 ♠	Pass
1 N.T.	Pass	2 ♠	Pass
Pass	Pass		

West led the heart king.

CROSSWORD

ACROSS
1 Arrives
6 "Dancing Queen" pop group
10 He loved Lucy
14 Stick out like —— thumb
15 Late newscaster Severeid
16 "Did you ——?"
17 Pen, but not for credit
19 Kind of cabinet
20 American, in W.W. II
21 Extra-ample shoe width
22 Contribute
23 Bar mitzvah, e.g.
27 Paris's river
29 Spooky
30 Jeans line
32 Beavers' project
33 An NCO
37 Pseudonymous surname
38 Famous oversleeper
40 Beer barrel
42 "What —— the odds?"
43 Old gas name
45 Marked wrong
47 Farm horse
49 Dictation taker
51 Advertising lights
52 "Bonanza" boss
57 Love affair
58 Ireland's —— Lingus
59 Two-syllable foot
62 Hammer or sickle
63 Square feature
66 Sicilian mount
67 Brainstorm
68 —— Rogers St. Johns
69 Moose, for one
70 End of a fishhook
71 Desirable trait

DOWN
1 Shrewd
2 Worker protection grp.
3 Night sights on the eastern horizon
4 Writer Caldwell
5 "Game, —— match"
6 Stamp on mail from Mexico
7 Informed
8 Took the bait
9 King topper
10 Does bomb squad work
11 Mrs. Perón
12 Baseball bigwig Bud
13 "Goodnight, ——" (1950 hit)
18 Itsy-bitsy
22 Tire abbr.
24 Salty drop
25 Mountain
26 Partner of dangerous
27 One of six on a cube
28 Son of Seth
31 Kitchen appliance
34 Incapacitates, illegally
35 Sheepish look
36 Scores for Comaneci
39 Shut (up)
41 Alarm sounder
44 Pertaining to kissing
46 King's widow, e.g.
48 Rumps
50 Cigarette stat
52 Like some breath
53 Ham it up
54 Nary a soul
55 Drug-kicking program
56 N.Y.C. subway line
60 Fr. miss
61 Cop's route
63 Tease
64 Sweet-as-apple-cider girl
65 Motorists' org.



Puzzle by Fred Piscop

Solution to Puzzle of Aug. 30

T	A	L	K	R	A	D	I	O			I	L	I	A	C
O	N	E	A	N	D	A	L	L			L	E	M	M	A
A	S	T	R	A	D	D	L	E			S	A	P	O	R
M	A	M	A			T	A	I		F	E	D	O	R	A
A	R	E		V	O	I	C	E	R	S		S	A	M	
N	A	D	I	A		S	I	S	I			I	S	L	E
		R	O	S	E	T	T	E	S			S	I	L	L
S	C	E	N	E	S				C	O	S	B	Y	S	
A	L	A	I		T	R	U	T	H	F	U	L			
L	A	M	A		H	O	N	E		F	E	E	D	A	
A	V	A		R	E	D	N	E	S	S		D	U	B	
D	I	G	G	E	R		E	P	H		O	R	E	O	
O	C	A	L	A		P	R	E	I	N	T	E	N	D	
I	L	I	A	D		O	V	E	R	T	R	A	D	E	
L	E	N	D	S		R	E	S	T	H	O	M	E	S	

©New York Times/Edited by Will Shorts.

INTERNATIONAL

Backroom Brawl Over UN's Helm

Is There No Better Way to Choose a Secretary-General?

By Barbara Crossette
New York Times Service

UNITED NATIONS, New York — The Clinton administration's threat to veto a second term for Secretary-General Boutros Boutros Ghali without publicly naming alternative candidates has given new life to an old debate: Is there not a better way to choose the leader of the United Nations than through backroom deals among influential governments?

"The process (if indeed it can be called such) for the appointment of the secretary general has so far been confined to a disorderly procedure," says a study published Friday. The study's authors are two former UN officials, Sir Brian Urquhart and Erskine Childers. Mr. Childers died a week ago.

Looking back to the organization's founding, they wrote that there had been "little or no methodical search to find candidates outstandingly equipped for an important and extraordinarily difficult job."

"Rather, the basic criterion appears to have been to find a reasonably acceptable candidate who could get past all five potential vetoes," they wrote. In addition to the American veto, four other permanent members of the Security Council — Britain, China, France and Russia — have the power to block a nominee, a factor that inevitably leads to horse trading.

The Security Council recommends a nominee to be chosen formally by the 185-nation General Assembly, which on all but one occasion has simply rubber-stamped the council's candidate. There is no overt campaigning.

In their study — an updating of their 1990 book, "A World in Need of Leadership: Tomorrow's United Nations," the two former officials recommend that the secretary-general be chosen for one nonrenewable seven-year term.

Sir Brian, a Briton, joined the organization at its founding in 1945. He retired in 1986 as an undersecretary-general after working with five secretaries-general on peacekeeping and political affairs.

Mr. Childers, an Irish writer who became a UN civil servant in 1967, retired in 1989.

Their proposal, they argued, would give the secretary-general greater freedom of action and would eliminate misuses of incumbency.

The study asks governments to devise a radically new, professionalized search-and-appointment system with a short list of 5 to 10 candidates circulated publicly by June 30 of the year a term expires. Mr. Boutros Ghali's five-year term ends on Dec. 31. All Security Council deliberations and votes on the candidates should also be made public, the authors recommend. They suggest that the permanent council members give up their veto during the selection process.

The Urquhart-Childers study was published by the Dag Hammarskjold Foundation in Uppsala, Sweden, with the support of the Ford Foundation.

Many diplomats are wary about proposals to reduce the role of the Security Council in the selection of a secretary general. Madeleine Albright, the chief U.S. representative, said in an interview that Sir Brian had "a number of very interesting suggestions that clearly come out of a very deep understanding of the UN system."

But Mrs. Albright added that in devising a way to solicit names of candidates to be presented to the council early in the year, "what concerns us is the creation of a bureaucratic process." The United States, she said, would be reluctant to dispense with the existing system, even if it were a ad hoc one.

The Clinton administration also wants enough maneuverability to find a candidate who will not cause controversy during an election campaign.

But the gap between Republicans and Democrats is very wide. This is demonstrated by an article in the September-October issue of Foreign Affairs magazine by Senator Jesse Helms, Republican of North Carolina, chairman of the Foreign Relations Committee.

Mr. Helms repeats charges circulating in conservative research organizations that Mr. Boutros Ghali has, among other actions, "pressed for the establishment of a standing UN army and the power to collect direct UN taxes."

The secretary-general has never called for a standing army. He has mentioned taxes on currency transactions or international travel as suggestions made by outsiders that only member nations have the power to enact. Nevertheless, with such accusations, Republican leaders have portrayed Mr. Boutros Ghali as a threat to American sovereignty.

Mandela Is 'in Love'

President Linked to Samora Machel's Widow

Reuters

CAPE TOWN — President Nelson Mandela is in love with Graca Machel, widow of the former President Samora Machel of Mozambique, a spokesman for Mr. Mandela said Sunday.

Asked to comment on a local newspaper report that Mr. Mandela, 78, was in a "steady relationship" with the 50-year-old Mrs. Machel, a spokesman, Parks Mankahlana, said: "All I can say is, the story is not untrue. But I'm not aware of any marriage plans."

Mr. Mandela divorced his second wife, Winnie, earlier this year, saying she was a spendthrift who no longer showed him any affection.

Their marriage began breaking up shortly after Mr. Mandela was released from jail in February 1990 after 27 years behind bars.

The Johannesburg-based Sunday Independent quoted people close to Mr. Mandela as saying he was smitten with Mrs. Machel and that his face lit up at the mention of her name.

"President Nelson Mandela is in love," the newspaper said. It said that "after months of speculation," it could confirm that the president and Mrs. Machel "are involved in a steady relationship and are ready to go public."

"The couple plans to spend as much time together as possible," the paper added.

"They plan to spend two weeks of each month together at Mandela's Johannesburg home. Machel will spend the rest of her time in her home country."

'All I can say is, the story is not untrue. But I'm not aware of any marriage plans.'

Samora Machel, who supported Mr. Mandela's African National Congress in its fight against apartheid, was killed in a plane crash in October 1986.

This year, the couple has been seen together during trips to Paris and Harare, Zimbabwe.

The Netherlander
Your Dutch Intelligence Service

The Netherlander is a comprehensive English-language business weekly about the Netherlands, written especially for the non-Dutch reader who needs and wants to keep abreast of the country's economic and corporate developments.

It is published by the Netherlands' leading financial daily, *Het Financieele Dagblad*, and distributed jointly in the Netherlands with the *International Herald Tribune*, "the world's daily newspaper"

The weekly enables the reader to understand the Dutch business community and issues it faces, without requiring a command of the Dutch language. *The Netherlander* has therefore quickly become essential reading for expatriate staff working in the Netherlands, for foreign-based managers with Dutch operations and for anyone – from equity analysts to risk managers – who needs to know what makes the Dutch economy tick.

The Netherlander is the only English-language publication which gives you – every week – full coverage of economic and corporate developments, feature articles on specific industrial sectors, profiles of leading companies and corporate personalities, and market data from the stock and options exchanges. It also provides a weekly review of politics and the arts, and a "what's on" cultural agenda.

The Netherlander is, in short, a Dutch intelligence service for the non-Dutch businessman or woman.

Yes, I want to subscribe to The Netherlander:

Please enter a subscription for: ☐ 26 issues Dfl 165 ☐ 51 issues Dfl 300

Name ____ Mr/Ms*
Company ____
Job Title ____
Address ____
City ____ Code ____
Telephone ____ Fax ____
*Please delete what does not apply

Payment (in guilders)
☐ My Eurocheque is enclosed

Charge my credit card:
☐ American Express ☐ Euro-/Mastercard
☐ Visa ☐ Diners Club

Card No.: ____
Expiry Date: ____
Signature: ____

International Subscription Service, *The Netherlander*, Postbus 216, 1000 AE Amsterdam, The Netherlands, Tel.: (+31-20) 592-8690 Fax: (+31 20) 592-8666

The Netherlander
The business weekly
PUBLISHED BY HET FINANCIEELE DAGBLAD, AMSTERDAM
Distribution in association with the International Herald Tribune

The Netherlander Herald Tribune THE WORLD'S DAILY NEWSPAPER HET FINANCIEELE DAGBLAD

CAPITAL MARKETS ON MONDAY

The Hryvna Finally Makes Its Debut as Ukraine's Currency

By Justin Keay
Special to the Herald Tribune

LONDON — Provided there are no last-minute glitches, Ukrainians will wake up Monday, five years after independence, to a new currency, the hryvna.

It will replace the interim currency, the karbovanets, or coupon, at a rate of one per 100,000.

A dollar will be worth around 1.75 hryvna, and one hryvna will buy 3,000 Russian rubles. The hryvna will contain 100 kopiykas.

"This currency reform has been planned for some time," said Yuri Poluneez of the European Bank for Reconstruction and Development.

"It will reinforce confidence in national monetary policy."

He suggested that the new currency *would make business life easier for* Ukrainians, who will no longer have to think in millions for the smallest transaction, and for foreigners, who will no longer become local millionaires simply by converting $6 into coupons.

Ukraine has gone out of its way to stress the nonconfiscatory, transparent nature of the reform: The conversion of up to 100 million coupons will be possible at banks, and amounts above that, held in bank deposits, will be converted without question.

Eager to dispel confusion, the country has established currency booths across the country. Ukrainians have until Sept. 16 to spend or exchange their coupons.

Ukraine is one of the last countries in the Commonwealth of Independent States to introduce its own currency, having used the coupon since 1992. Previous plans to launch the hryvna — most notably in the autumn of last year — were thrown off course by high inflation and the widespread lack of faith in the coupon, which fell in value at one point to below 250,000 to the dollar.

The government has also been preoccupied with other matters: controlling the apparently inexorable rise of the black market, slowing the contraction of gross domestic product and attempting to raise living standards, among other things.

Advisers to the government and National Bank had warned that any premature introduction of the new currency would be disastrous and likely to contribute to a further undermining of international confidence in the country's already battered economy.

Now, however, observers are generally in agreement that Ukraine has got things about right.

By Ukrainian standards, the economy has been performing moderately well — although foreign investment, at less than $1 billion, remains low — while the government and President Leonid Kuchma have been making encouraging noises about kick-starting privatization and increasing the private-sector share of gross domestic product to above 50 percent by the end of the year.

"The government has had good inflation figures for the past few months — 0.1 percent for the past two — and has shown itself to be serious about reform," said Helen Boss of the Vienna Institute for Comparative Economic Studies, citing the recent stability of the coupon on exchange markets and its gain against the dollar over the past year.

"In these conditions the hryvna should bolster economic stability and international confidence."

There are fears, however, that Ukrainians will be wary of the hryvna amid low living standards and memories of when the coupon was devalued 15 times in four years.

With inflation reaching an annual 10,200 percent in 1993, effectively wiping out savings held in the local currency, the dollar has been the best hedge against the maelstrom that has engulfed Ukraine's economy since independence.

Widespread buying of dollars and other hard currencies would undermine the hryvna from the start, and thus threaten the whole currency reform.

Another concern is that the two-week coupon-hryvna conversion period is too short and may cause panic as the Sept. *16 deadline for the phasing out the* coupon nears.

David Boren, head of Salomon Brothers Inc.'s emerging markets research team, said, "With net foreign reserves of about $500 *million*, Ukraine has about six months to establish the hryvna."

Mr. Boren said the government's economic *policy* and people's perception of it would be critical to the currency's well-being.

■ No Float for Argentine Peso

Domingo *Cavallo*, former economy minister for Argentina, has said his country is not ready for a free-floating currency or for discretionary monetary policy, Reuters reported from Jackson Hole, *Wyoming*.

"We are convinced that right now there is no place for monetary policy in a country like Argentina," Mr. Cavallo said at a symposium sponsored by the Federal Reserve Bank of Kansas City.

Mr. Cavallo said that if a rapid pickup in productivity in Argentina were to lead to upward pressure on the peso against the dollar, then officials might consider allowing the peso to float.

Most Active International Bonds

The 250 most active international bonds traded through the Euroclear system for the week ending August 30. Prices supplied by Telekurs.

Rnk	Name	Cpn	Maturity	Price	Yield
Australian Dollar					
192	LB BadWurt	4.41	02/25/04	79.5547	5.5400
Austrian Schilling					
235	Austria	5½	07/05/01	100.7500	5.4600
249	Austria	6¼	05/31/06	98.6000	6.3400
Belgian Franc					
248	Belgium	5	03/28/01	98.7600	5.0600
British Pound					
155	Abbey National	7¾	12/30/02	99.3750	7.6700
222	Bank Austria	6¾	12/15/98	100.3750	6.7200
Canadian Dollar					
196	Canada	7¼	06/01/03	99.4551	7.2900
214	Canada	5¾	03/01/99	98.0089	5.8700
238	Canada	8¾	12/01/05	110.2044	7.9400
243	Canada	7	12/01/06	98.0913	7.1400
Danish Krone					
5	Denmark	8	03/15/06	104.4500	7.6600
15	Denmark	9	11/15/98	108.4000	8.3000
28	Denmark	9	11/15/00	111.1800	8.0900
40	Denmark	8	05/15/03	106.6400	7.5000
44	Denmark	8	11/15/01	107.4600	7.4400
45	Denmark	7	12/15/04	99.8400	7.0100
46	Denmark	7	08/15/97	102.6900	6.8200
53	Denmark	6	12/10/99	101.6500	5.9000
61	Denmark	7	02/15/98	103.4000	6.7700
82	Denmark	7	11/10/24	87.0700	8.0400
124	Denmark	6	11/15/02	98.4700	6.0900
130	Denmark	7	11/15/07	96.7000	7.2400
176	Nykredit	6	10/01/26	82.1200	7.3100
184	Denmark	6	02/15/99	102.2500	5.8700
210	Denmark	9	11/15/96	100.9400	8.9200
231	Denmark	10	11/15/96	100.8500	9.9200
Deutsche Mark					
1	Germany	6⅞	05/12/05	103.6600	6.6300
2	Germany	6½	04/26/06	99.2480	6.3000
3	Germany	5	05/21/01	99.5520	5.0200
4	Germany	8¾	08/20/01	115.1500	7.6000
6	Germany	8	01/21/02	111.6433	7.1700
7	Germany	5⅝	11/21/00	100.5940	5.0900
8	Germany	8⅜	05/21/01	113.0567	7.4100
9	Germany	5¼	02/21/01	100.7200	5.2100
10	Germany	6	01/05/06	97.5060	6.1500
11	Germany	5¾	08/22/00	103.0433	5.5800
12	Germany	8½	02/20/01	113.1500	7.5100
13	Germany	6½	10/14/05	101.0425	6.4300
14	Germany	6	02/16/06	97.4825	6.1500
16	Germany	8¼	09/20/01	112.8000	7.3100
17	Germany	7⅜	01/03/05	107.0667	6.8900
18	Treuhand	7½	09/09/04	108.0050	6.9400
20	Germany	5⅞	05/15/00	103.6700	5.6700
23	Germany	8	07/22/02	111.5725	7.1700
24	Germany	6½	03/15/00	105.7800	6.1400
25	Germany	6¼	01/04/24	89.6429	6.9700
26	Treuhand	6⅞	06/11/03	105.0886	6.5400
27	Treuhand	7⅛	01/29/03	106.7467	6.6700
29	Germany	7½	11/11/04	108.0167	6.9400
30	Germany	6½	07/15/03	102.9600	6.3100
31	Germany Tbills	zero	01/17/97	98.8385	3.0500
33	Germany	5¾	08/20/98	103.6900	5.5500
34	Treuhand	6⅝	07/09/03	103.6400	6.3900
35	Treuhand	7⅜	12/02/02	108.2033	6.8200
36	Germany	7	12/22/97	104.4225	6.7000
37	Germany	6¾	05/20/98	104.4000	6.1100
38	Treuhand	6⅛	06/25/98	104.1300	5.8800
39	Treuhand	7¼	10/01/02	110.20	7.0300
42	Treuhand	6½	04/23/03	103.1800	6.3000
43	Treuhand	6⅛	03/26/98	103.7900	5.9000
47	Treuhand	6⅝	07/01/99	105.3500	6.0500
49	Germany	9	10/20/00	114.5900	7.8500
51	Germany	8¾	07/20/00	113.3700	7.7200
52	Germany	6⅝	01/20/98	104.1200	6.3600
55	Germany	7	01/13/00	107.4625	6.5100
59	Germany	6⅛	05/20/99	104.9100	5.8400
60	Germany	9	01/22/01	114.9900	7.8300
63	Germany	8	09/22/97	104.7450	7.6400
64	Germany	6¾	09/15/99	106.7300	6.3200
65	Treuhand	6¾	05/13/04	103.6100	6.5100
67	Treuhand	6¼	03/04/04	100.9350	6.1900
68	Germany	6	06/20/16	89.7414	6.6900
70	Germany	6¾	07/15/04	103.6950	6.5100
71	Treuhand	6¼	07/29/99	105.1000	5.9500
79	Treuhand	6	11/12/03	100.0780	6.0000
80	Germany	8¼	07/21/97	104.2600	7.9100
84	Germany	6	09/15/03	100.6257	5.9600
85	Treuhand	5⅛	09/24/98	103.4500	5.4400
86	Treuhand	5	12/17/98	102.1900	4.8900
87	Germany	7¼	10/21/02	107.8500	6.7200
91	Germany	8	03/20/97	102.5600	7.8000
92	Germany	7½	10/20/97	104.5000	7.1800
94	Treuhand	7	11/25/99	107.6467	6.5000
96	Cap Credit Card	5⅝	10/04/04	100.2668	5.6100
97	Germany	7⅛	12/20/02	106.9829	6.6600
100	Germany	6¾	04/22/03	104.6200	6.4500
101	Germany	8½	12/20/00	114.3900	7.7600
102	Germany	7¼	10/20/97	104.2200	6.9600
103	Germany	6⅝	08/14/98	104.7925	6.0800
106	Germany	6¾	05/02/03	103.7600	6.5100
117	Credit Local	5½	10/18/00	101.1000	5.4400
119	Germany	5¾	11/20/97	102.1533	5.1400
121	Germany	6⅞	12/02/98	106.1200	6.4800
131	Germany	8⅛	01/20/97	101.9300	8.2200
132	Credit Foncier	7¼	02/24/03	104.9000	6.9100
133	Germany	6¼	02/20/98	103.7433	6.0200
137	Germany	5¾	08/20/97	102.3000	5.6200
141	Germany	8½	08/21/00	112.6375	7.5500
142	Treuhand	5¾	04/29/99	103.8500	5.5400
143	Germany	5¼	02/25/98	102.4000	5.1300
146	Treuhand	5	01/14/99	102.2200	4.8900
148	German States	6¼	08/21/06	97.9233	6.3800
151	Germany	6⅞	02/24/99	106.4000	6.4600
153	Germany	6½	01/02/99	105.2800	6.1700
156	Germany	5¼	10/20/98	102.8300	5.1100
160	Germany	5¾	05/28/99	103.7800	5.5400
164	Germany	5⅝	02/22/99	103.1200	5.2100
170	Germany	6	02/20/98	103.4400	5.8000
185	Germany	6⅜	01/20/98	103.7625	6.1400
191	Germany	6¾	07/20/98	105.3000	6.4100
194	Belgium Tbill	zero	11/29/96	98.6420	5.5700
201	Germany	3.192	09/30/04	99.0300	3.2228
205	LB Bad Wurt	6¼	08/18/26	99.7500	6.2700
206	Credit Local	5.15	12/04/00	99.5500	5.1700
208	Germany	8½	05/22/00	113.1500	7.3700
225	Sweden	5⅝	07/02/01	99.9000	5.3800
228	Germany	6	04/20/98	103.6500	5.7900
236	Germany	7¼	01/20/00	108.1000	6.7100
237	Bundesbahn	6⅛	10/28/03	100.1714	6.1100
245	Italy	7¼	02/10/98	104.9000	6.9100
Dutch Guilder					
21	Netherlands	6¼	07/15/98	104.4100	5.9900
32	Netherlands	6	01/15/06	98.0500	6.1200
48	Netherlands	8¼	06/15/02	112.9500	7.3000
77	Netherlands	8¾	09/15/01	115.1000	7.6000
83	Netherlands	5¾	01/15/04	98.4400	5.8400
88	Netherlands	7½	01/15/23	106.8900	7.0200
93	Netherlands	9	01/15/01	114.90	7.8300
95	Netherlands	9	05/15/00	113.9800	7.9000
105	Netherlands	8½	03/15/01	113.20	7.5100
108	Netherlands	6½	07/15/98	104.8000	6.2000
111	Netherlands	8½	06/01/06	115½	7.3600
116	Netherlands	8¼	02/15/00	111	7.4300
125	Netherlands	7	06/15/05	105.1500	6.6600
129	Netherlands	7	05/15/99	106.8000	6.5500
134	Netherlands	7	03/15/99	106.6600	6.5600
136	Netherlands	7½	04/15/10	107.9000	6.9500
139	Netherlands	6½	04/15/03	103.6500	6.2700
140	Netherlands	8¼	02/15/07	113.70	7.2600
149	Netherlands	8¼	09/15/07	113.9500	7.2400
159	Netherlands	7½	11/15/99	108.7500	6.9000
180	Netherlands	6¾	11/15/05	103.2500	6.5400
186	BNG	6⅝	01/04/06	99.3500	6.4200
188	Netherlands	7½	06/15/99	108.2100	6.9300
212	Netherlands	6¾	10/01/98	105.6400	6.3900
213	Netherlands	7¾	03/01/05	110.1500	7.0400
216	Netherlands	6¾	02/15/99	106.0000	6.3700
221	Netherlands	7¾	01/15/00	109.4000	7.0800
230	Netherlands	7	02/15/03	106.4500	6.5800
ECU					
75	France OAT	7½	04/25/05	104.2500	7.1900
76	France BTAN	5	03/16/99	99.7400	5.0100
78	France B.T.A.N.	6	03/16/01	100.5600	5.9700
81	France OAT	7	04/25/06	100.5000	6.9700
104	Britain	9⅛	02/21/01	112	8.1500
113	France OAT	6	04/25/04	96.4000	6.2200
126	UK T-note	5	01/26/99	100.0050	5.0000
144	France OAT	8¼	04/25/22	107.2500	7.6900
154	France OAT	9½	04/25/00	112.3525	8.4600
165	France BTAN	7¼	03/16/98	100.6600	7.2000
168	UK Tbills	zero	11/14/96	99.1462	4.1500
179	UK T-note	8	01/27/98	104.1400	7.6800
204	France OAT	6¾	04/25/02	102.2550	6.6000
239	Italy	9¼	03/07/11	114⅞	8.0500
Finnish Markka					
199	Finland	10	09/15/01	116.7666	8.5600
French Franc					
98	France B.T.A.N.	5¾	03/12/98	102.0000	5.6400
118	France OAT	7¾	10/25/05	109.2400	7.0900
122	France OAT	6½	10/25/06	100.3800	6.4800
123	France OAT	7½	04/25/05	107.4300	6.9800
147	France OAT	8½	11/25/02	113.1400	7.5100
158	France OAT	7¼	04/25/06	105.6300	6.8600
169	France OAT	6¾	10/25/03	103.6000	6.5200
181	France B.T.A.N.	7¾	04/12/00	108.3000	7.1600
202	France BTAN	7	10/12/00	106.0500	6.6000
207	France OAT	8½	04/25/03	113.4800	7.4900
224	France BTAN	5¾	11/12/98	102.3600	5.6200
241	France BTAN	4¾	04/12/99	99.9500	4.7500
246	France B.T.A.N.	5¾	03/12/01	101.1400	5.6900
Italian Lira					
138	Italy	9½	02/01/01	102.6400	9.2600
167	Italy	9½	05/01/01	102.7700	9.2400
229	Italy	10½	11/01/00	105.7800	9.9300
233	Italy	9½	02/01/06	100.8500	9.4200
250	Italy	9½	12/01/99	102.3000	9.2900
Japanese Yen					
166	Nissho Iwai	0.25	09/30/03	102.2500	0.2400
218	World Bank	4¾	12/20/04	113⅜	4.1800
227	World Bank	4½	03/20/03	111¾	4.0300
247	World Bank	4½	12/22/97	105.0000	4.2900
New Zealand Dollar					
226	Bay Vereinsbk	8¾	08/27/99	101.5000	8.6200
Spanish Peseta					
110	Spain	10.90	08/30/03	111.8270	9.7500
171	Spain	10.15	01/31/06	107.9490	9.4000
173	Spain	10	02/28/05	107.0790	9.3400
187	Spain	11.45	08/30/98	107.1450	10.6900
200	Spain	10.10	02/28/01	107.3330	9.4100
211	Spain	10¼	11/30/98	105.4000	9.7200
240	Spain	8.40	04/30/01	101.1660	8.3000
Swedish Krona					
54	Sweden	11	01/21/99	110.0478	10.0000
114	Sweden 1036	10¼	05/05/00	110.5522	9.2700
189	Sweden	13	06/15/01	122.5939	10.6000
190	Sweden	6	02/09/05	87.4097	6.8600
242	Sweden	10¼	05/05/03	114.0995	8.9800
U.S. Dollar					
19	Argentina FRN	6⅝	03/29/05	77.2500	8.1700
22	Brazil Cap S.L.	4½	04/15/14	68.9636	6.5300
41	Brazil L	6½	04/15/06	84.3164	7.7100
50	Brazil 910.0	6⅞	01/01/01	95.8800	6.9700
56	World Bank	6⅝	08/21/06	97.5000	6.7949
57	Venezuela	6⅝	12/18/07	75.7847	8.7400
58	Argentina par L	5¼	03/31/23	54.6373	9.6100
62	Mexico par B	6¼	12/31/19	68.9257	9.0700
66	Brazil S.L.	6⅝	04/15/12	70.3951	9.3200
69	Mexico par A	6¼	12/31/19	67.6665	9.2400
72	Brazil par ZI	5	04/15/24	55.0000	9.0900
73	Mexico	11½	05/15/26	97.8750	11.7500
74	Canada	6⅝	08/28/06	97.6250	6.9100
89	Brazil S.ZI	6½	04/15/24	72.3040	8.9900
90	Venezuela par A	6¾	03/31/20	64.8473	10.4100
99	Ecuador par	3¼	02/28/25	37.2955	8.7100
107	Argentina L	6⅝	03/31/23	68.9516	9.3400
109	Mexico B	6.391	12/31/19	82.2167	7.7700
112	Poland	3¾	10/27/14	80.6379	4.6500
115	Ecuador	3	02/28/15	48.9883	6.1200
120	Argentina	8.20	08/15/99	99.2307	8.2636
127	Britain	6¾	07/19/01	100.0000	6.7500
128	Italy	6⅞	09/27/23	89.3750	7.6900
135	Mexico D	6.453	12/28/19	81.6871	7.9000
145	Canada	6⅝	07/21/05	95.2500	6.6900
150	Nigeria	6¼	11/15/20	55.3525	11.2900
152	Brazil	6⅝	04/15/09	76.3862	8.5900
157	Mexico A	6.398	12/31/19	82.1999	7.7800
161	Poland	6⅞	10/27/24	93.9717	6.8500
162	Argentina	5.461	04/01/01	114.45	-
163	Mexico	7⅞	08/06/01	100.0000	7.6900
172	Poland par	2¾	10/27/24	52.3634	5.2500
174	Venezuela B	6¾	03/31/20	64.1380	10.5200
175	Venezuela	6¾	03/18/07	77.4400	8.2300
177	Bulgaria	6⅝	07/28/24	51.3416	13.0300
178	Bulgaria	6⅝	07/28/11	46.5354	14.3700
182	Ecuador	6½	02/28/25	57.9103	11.2200
183	Mexico		11/27/96	124.8914	-
193	Argentina	5.773	12/28/99	59.7500	9.6627
195	Brazil Cbond S.L.	4½	04/15/14	63.0950	7.1300
197	Italy B	zero	01/10/01	74.3750	7.0100
198	Mexico	7.1016	03/30/08	100.4910	7.0700
203	Argentina	8⅝	12/20/03	85.5000	9.8000
209	Sweden	4½	03/24/99	95.3750	4.7200
215	Mexico C	6.3516	12/31/19	82.5723	7.6900
217	TVA 1995a	6⅝	06/15/05	95.7500	6.6600
219	Mexico	9¾	02/06/01	101.3750	9.6200
220	Italy A	6	01/10/01	96.5000	6.2200
223	Bulgaria	2¼	07/28/12	32.7151	6.8800
232	Venezuela	6½	03/31/07	77.9655	8.3400
234	Credit Foncier	8	02/23/98	101.5000	7.8800
244	Panama	4	07/17/16	65.1498	6.1400

EMU Doubts Lift Mark Bonds' Appeal

By Carl Gewirtz
International Herald Tribune

PARIS — *It is* budget season in Europe and, inevitably, an anguished period of uncertainty for bond and currency markets. The key issue: Can the planned economic and monetary union remain on track when such key candidates as France and Germany are unable to meet the requirements on the size of their budget deficits?

Those who think a solution will be found base their optimism on the fact that it is Paris and Bonn that are overshooting the target, which calls for a deficit of no larger than 3 percent of gross domestic product.

But doubts persist because the fiscal stringency needed to reduce budget deficits can only exacerbate the slowed pace of growth, the high level of unemployment and the growing popular frustration — particularly in France — that the costs to create the union outweigh the promised benefits.

The main beneficiary of the uncertainty, analysts predict, will be the German market. If plans for monetary union *are delayed or abandoned, they expect the* Deutsche mark to soar against other European currencies and the dollar because the mark's reputation as a sound, strong currency will be reinforced by the *prospect that the* Bundesbank will retain sole control over its value.

If a solution is found to keep the project on track, Jonathan Wilmot of CS First Boston in London said it would *include further substantial cuts in German* interest rates to invigorate growth.

In either event, the price of mark-denominated bonds should rise — pulled up by heavy demand for the currency or pushed up by falling official rates.

Jan Loeys of J. P. Morgan & Co. in London advised investors to increase holdings of mark bonds. "It performed well last month," he said of the German market. "It has further to go."

Analysts said that the German market benefits more than any other major sector from a favorable cost of carry — the difference between what institutional investors pay to borrow marks short-term, currently around 3.2 percent, and the 6.4 percent they can earn by buying 10-year government bonds. That 3.2 percentage-point difference beats the 1.4 point spread available on such "carry trade" *in the U.S. market or the* 2.5 points in Japan.

The French bond market is seen to be relatively insulated from shocks. Nonresident ownership is estimated at below *10 percent, down from about 35 percent* in 1992, leaving the market essentially in the hands of cash-rich domestic insurance companies.

Patrick Artus of Caisse des Depots & Consignations said the fact that the insurance companies typically buy and hold rather than trade their positions explained why the premium on long-term French paper, which yields 6.49 *percent*, was at a relatively narrow 0.09 percentage point over German paper.

But other high-yielding European markets are seen to be at some risk from worries about monetary union. One reason is that without EMU, such countries as Italy and Spain might relax efforts to improve their economic performance. Another reason is concern that nonresident investors could accelerate the taking profits and pulling out of those markets.

"The outstanding performer, the Finnish markka, now seems to have run out of steam against both the dollar and the Deutsche mark" said Kit Juckes of NatWest *Markets in London.*

In local-currency terms, markka bonds rose 1.69 percent last month, second only to the performance of Swedish government paper. For the year to date, markka *bonds rank fourth in* Europe, with a return of 6.6 percent, behind Italy's 12.2 percent, Spain's 10.5 percent and Sweden's 8.4 percent, according to the J. P. Morgan government bond index.

Among the bond issues are Kansai Airport, carrying the guarantee of the Japanese government, which is scheduled to tap the market for $200 million, and Kansai Electric Power, which will sell $500 million worth of paper. Both issues are for 10 years.

Yields Seen Rising as Traders Await Jobs Data

Compiled by Our Staff From Dispatches

NEW YORK — The outlook for the U.S. bond market is grim, with yields expected to continue climbing as analyst await the August employment figures, which are due Friday.

The bond market's recent sell-off lifted the yield on the benchmark 30-year Treasury bond to 7.12 percent at the end of last week from 6.94 percent a week earlier, punctuated by an upward revision in second-quarter gross domestic product and other data indicating that economic growth had not slowed significantly.

As a result, many analysts are predicting that the Federal Reserve Board will raise short-term rates, depending on the strength shown in the jobless rate.

Even central bank leaders said they were unsure how events would unfold. In weekend comments, Governor Lawrence Lindsey said the outlook on inflation, which the Fed would seek to stymie with high interest rates, was unclear.

"I think next week's going to be quite

U.S. CREDIT MARKETS

interesting," he said.

Nevertheless, most analysts predicted that bond yields would keep rising, noting that the market had broken several key support levels last week.

"My longer-term target is still in the vicinity of 7.32 and 7.50 percent," said Michael Krauss, chief technical strategist at Chase Securities Inc.

"Technically, there is very little to get excited about right now," said Walter Burke, a technical analyst at MCM MoneyWatch Inc. "There is nothing special to think the market is going to bounce right here."

Such downcast talk threatens the Treasury's sale Tuesday of $12 billion each in three- and six-month bills.

Mr. Lindsey said inflation indicators were "flashing yellow."

"We're on the verge of having an economy where one might expect to see some inflationary pressures," he said. "On the other hand, the inflationary pressures aren't there."

Wholesale prices were unchanged in July, consumer prices rose a tame 0.3 percent and hourly earnings, a precursor of higher prices through the cost of labor, declined by 2 cents.

(Reuters, WP, Bloomberg)

New International Bond Issues

Compiled by Laurence Desvilettes

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price end week	Terms
Floating Rate Notes						
Countrywide Corp.	$250	2001	0.15	99.82	—	Over 3-month Libor. Noncallable. Fees 0.20%. Denominations $100,000. Increased from $150 million. (UBS.)
Spintab	$100	1998	libor	100.054	—	Interest will be the 3-month Libor. Noncallable. Fees 0.10%. (Lehman Brothers Intl.)
CNCP-NKBK Intl Finance	DM250	2001	0.15	99¾	—	Over 3-month Libor. Noncallable. Fees 0.20%. (Barclays de Zoete Wedd.)
Fixed-Coupons						
Denmark	$150	1998	5.45	100.00	99.28	Noncallable private placement. Fees 1%. (Kankaku Europe.)
Scott Fetzer Financial	$100	2001	6¾	101.349	99.37	Reoffered at 99.724. Noncallable. Fees 1⅜%. (Salomon Brothers Intl.)
World Bank	$1,000	1999	5.68	99.13	97.34	Semiannually. Noncallable private placement. Fees 0.20%. (Yamaichi Intl.)
Bank Austria	DM250	2000	5	101.475	—	Reoffered at 99.95. Noncallable. Fees 1⅝%. (SBC Warburg.)
BNG	DM500	2001	5¼	101.87	99.53	Reoffered at 99.62. Noncallable. Fees 2⅛%. (ABN-AMRO Bank.)
Japan Finance Corp. for Small Business	DM350	1999	4½	101.4625	99.94	Reoffered at par. Noncallable. Fees 1.65%. (Bank of Tokyo-Mitsubishi.)
Bayerische Hypotheken und Wechsel Bank	£100	1999	6¾	100.35	—	Reoffered at 99.20. Noncallable. Fees 1⅛%. (HSBC Markets.)
Credit Local de France	£100	2001	7⅜	99.502	—	Noncallable. Fees 0.25%. (NatWest Capital Markets.)
CSW Investments	£100	2006	8⅞	101.364	—	Reoffered at 99.814. Callable anytime. Fees 2%. (Barclays de Zoete Wedd.)
European Investment Bank	£250	2000	7	100.82	—	Reoffered at 99.42. Noncallable. Fees 1⅝%. (Barclays de Zoete Wedd.)
Morgan (J.P.) & Company	FF1,500	2008	6⅝	99.034	98.85	Noncallable. Fees 0.40%. (J.P. Morgan Securities.)
Tokyo Electric Power	FF4,000	2006	6½	99.403	99.05	Noncallable. Fees 0.325%. (Banque Paribas Capital Markets.)
European Investment Bank	DK600	2004	7	101.71	99.80	Noncallable. Fees 1⅝%. (Den Danske Bank.)
Credit Local de France	ECU400	2001	6	101.415	99.35	Reoffered at 99.79. Noncallable. Fees 1⅝%. Denominations 10,000 Ecus. (Banque Paribas Capital Markets.)
SBAB	Y16,000	1999	6	100.00	—	Semiannually. Redemption at maturity will be in Australian dollars. Noncallable. Fees 1.60%. (Wako Intl.)

The Week Ahead: World Economic Calendar, Sept. 2-6

A schedule of this week's economic and financial events, compiled for the International Herald Tribune by Bloomberg Business News.

	Asia-Pacific	Europe	Americas
Expected This Week	**Gold Coast, Queensland:** Australia hosts the Second Asia-Pacific Economic Cooperation Ministerial meeting on the Telecommunications and Information Industry. *Until Friday.* **Ottawa:** Japan-Canada Joint Committee on Economic Cooperation meets. Thursday to Friday.	**Bonn:** July industrial production; July factory order statistics. **Farnborough, England:** Farnborough International Air Show. Monday to Sunday. **Wiesbaden:** June retail sales; July wholesale sales.	**Dallas:** Custom Electronic Design & Installation Association holds CEDIA Expo '96, showcasing home entertainment equipment. Wednesday to Sunday. **Bogota:** Colombian car sales for August.
Monday Sept. 2	**Bangkok:** August preliminary inflation report. **Tokyo:** The Japan Automobile Dealers Association releases data on new car sales for August.	**Bonn:** German Mortgage Bank Association holds midyear conference. **Copenhagen:** August purchasing managers index. **Zurich:** Otmar Issing speaks about "The Current Monetary Situation in Germany."	***Bogota:*** *Inflation and producer price numbers for August.* **Caracas:** August inflation figures. **Sao Paulo:** Sao Paulo Commercial Association holds two-day forum on Atlantic-Pacific integration.
Tuesday Sept. 3	**Sydney:** July retail sales figures; Australia & New Zealand Banking Group Ltd. holds a briefing about its *new commercial electronic* banking system, ANZ OnLine. **Manila:** Asiatrust Development Bank starts the sale of shares.	**Berlin:** Finance Minister Theo Waigel holds conference about state-owned companies. **Bonn:** German Building Industry Association holds press conference on industry outlook. **Brussels:** August jobless figures.	**Auburn Hills, Michigan:** Chrysler Corp.'s August car and truck sales. **Detroit:** General Motors releases August car and truck sales. **Tempe, Arizona:** National Association of Purchasing Management releases August index.
Wednesday Sept. 4	**Hong Kong:** Inter-Continental Hotels and Resorts holds a press conference to discuss a new joint venture and expansion in China. **Tokyo:** Japanese steelmakers make forecasts for half-year earnings. **Earnings expected:** TNT Ltd.	***Brussels:*** *Banque Bruxelles Lambert SA's first-half earnings.* **Paris:** Preliminary second-quarter gross domestic product. **London:** Chancellor of the Exchequer Kenneth Clarke meets with Eddie George, Bank of England chief.	***Buenos Aires:*** *July trade figures.* **Ottawa:** July building permits. **Santiago:** Jorge Marshall, acting president of the central bank, presents forecasts for growth, inflation and trade in 1997. **Sao Paulo:** August inflation rate.
Thursday Sept. 5	**Taipei:** August consumer price index. **Tokyo:** Honda Motor Co. releases August vehicle sales; Mini Car Association of Japan releases statistics on minicar sales for August.	**Frankfurt:** Bundesbank policy-setting council meets. **Nuremberg:** German August unemployment report. **Wiesbaden, Germany:** Second-quarter gross domestic product. **Oslo:** Second-quarter GDP.	**Dearborn, Michigan:** Ford Motor Co. releases August car and truck sales. **Mexico City:** June industrial production figures. **Various cities:** Major U.S. retailers report August's same-store sales.
Friday Sept. 6	**Hong Kong:** Volume and price statistics of external trade for June. **Manila:** Music Semiconductors Corp. ends offering period for shares representing 40 percent of the company.	**London:** August producer prices. **Voorburg, Netherlands:** First-half foreign trade figures. **Earnings expected:** Delhaize-Le Lion SA.	**Caracas:** Venezuela releases weekly international reserves and money supply figures. **Mexico City:** July trade balance. **Ottawa:** August labor force survey. **Washington:** Federal Reserve releases weekly report on U.S. loans.

Last Week's Markets

Stock Indexes

	Aug. 30	Aug. 23	% Ch'ge
United States			
DJ Indus.	5,616.21	5,722.74	—1.86
DJ Util.	214.36	217.16	—1.29
DJ Trans.	2,044.78	2,061.90	—0.83
S & P 100	629.62	645.11	—2.40
S & P 500	651.99	667.03	—2.25
S & P Ind	770.39	791.16	—2.63
NYSE Cp	350.99	357.23	—1.75
Japan			
Nikkei 225	20,166.90	21,228.80	—5.00
Britain			
FTSE 100	3,867.60	3,907.50	—1.02
Canada			
TSE Indus.	5,143.43	5,193.00	—0.95
France			
CAC 40	1,970.61	2,020.82	—2.48
Germany			
DAX	2,543.83	2,555.16	—0.44
Hong Kong			
Hang Seng	11,159.00	11,424.64	—2.33
World			
MSCIP	764.06	775.18	—1.43

World Index from Morgan Stanley Capital Int'l Perspective.

Money Rates

United States		
Discount rate	5.00	5.00
Prime rate	8¼	8¼
Federal funds rate	5⅜	5⅜
Japan		
Discount	0.50	0.50
Call money	0.40	0.42
3-month interbank	0.56	0.63
Britain		
Bank base rate	5¾	5¾
Call money	6.00	5¾
3-month interbank	5⁵⁄₁₆	5¾
France		
Intervention rate	3.35	3.35
Call money	3½	3½
3-month interbank	3⅝	3¾
Germany		
Lombard	4.50	4.50
Call money	3.15	3.13
3-month interbank	3.18	3.20

Gold	Aug. 30	Aug. 23	% Ch'ge
London p.m. fix $	386.45	387.50	-0.27

Euromarts

Eurobond Yields

	Aug. 30	Aug. 23	Yr high	Yr low
U.S. $, long term	7.04	7.01	7.28	6.17
U.S. $, mdm term	6.42	6.46	6.84	5.65
U.S. $, short term	6.11	6.13	6.48	5.19
Pounds sterling	7.53	7.42	7.88	6.99
French francs	5.68	5.63	6.38	5.63
Italian lire	8.78	8.79	10.45	8.58
Danish kroner	6.13	6.13	6.51	5.95
Swedish kronor	6.57	6.58	8.55	6.55
ECUs, long term	6.73	6.72	7.50	6.71
ECUs, mdm term	5.83	5.83	6.56	5.83
Can. $	6.80	6.87	7.41	6.56
Aus. $	7.84	7.82	9.04	7.81
N.Z. $	8.28	8.32	9.37	7.04
Yen	2.64	2.65	2.78	2.28

Source: Luxembourg stock exchange.

Weekly Sales Aug. 29

Primary Market

	Cedel Bk $	Cedel Bk Non$	Euroclear $	Euroclear Non$
Straights	7.5	199.4	740.1	663.7
Convert.	—	—	—	0.5
FRNs	493.3	238.8	216.0	92.3
ECP	8,528.6	5,839.9	7431.1	7,181.1
Total	9,029.4	6,278.1	8,387.2	7,937.6

Secondary Market

	Cedel Bk $	Cedel Bk Non$	Euroclear $	Euroclear Non$
Straights	14,187.8	16,029.3	43,094.5	22,771.7
Convert.	690.5	736.1	2,310.8	1,436.9
FRNs	10,086.8	2,751.9	38,856.2	4,049.7
ECP	10,572.7	10,033.8	15,266.3	27,129.7
Total	35,537.8	29,551.1	99,527.8	55,386.0

Source: Euroclear, Cedel Bank.

Libor Rates Aug. 23

	1-month	3-month	6-month
U.S. $	5⅜	5⁹⁄₁₆	5⅝
Deutsche mark	3⅛	3⅛	3⅛
Pound sterling	5⁹⁄₁₆	5⅝	5¾
French franc	3⅝	4⅛	4⅛
ECU	4⅝	4⅝	4⅝
Yen	½	½	⅝

Sources: Lloyds Bank, Reuters.

هكذا من الأصل

Good nights. Good mornings.
swissair world's most refreshing airline.

Herald International Tribune
BUSINESS/FINANCE
MONDAY, SEPTEMBER 2, 1996

Fresh espresso on board.
swissair world's most refreshing airline.

A Hard Habit to Kick

Funds Still Buy Tobacco Stocks

By Carole Gould
New York Times Service

NEW YORK — Given the latest fracases over tobacco, what are mutual fund managers doing with their big stakes in tobacco stocks?

So far, a good number appear to be sitting tight and even buying more shares as values emerge, an informal survey of fund managers found.

"The irony is that I don't use tobacco, and I wish others would quit," said Donald Yacktman, who has 16 percent of the Yacktman fund invested in tobacco stocks. "But as a business manager who's trying to make money, evaluating the business on its merits, Philip Morris stands out as a large, profitable business."

Tobacco stocks have been hugely profitable investments, so it is not surprising to learn that 108 of the 2,775 domestic equity funds tracked by Morningstar Inc. have stashed more than 5 percent of their assets in tobacco. Another 259 have 3 percent to 5 percent in tobacco shares.

But the regulatory environment for tobacco companies turned particularly harsh late last month when President Bill Clinton approved a long list of restrictions meant to stop children from smoking.

On the legal front, tobacco companies had a victory at the same time when an Indianapolis jury barred damages sought by the family of a smoker who died of lung cancer. But earlier in August, a jury in Florida found in favor of a long-time smoker who developed cancer related to his smoking habit.

The verdict in the Florida case was the last straw for John H. Brown, manager of the Montgomery Equity-Income fund in San Francisco. He sold all his shares of Philip Morris Cos., maker of Marlboro cigarettes and the largest U.S. cigarette maker, at $94 a share in early August.

"When I bought, it was a strong company, the valuations were good and the litigation climate was favorable," Mr. Brown said. "Now the company is still strong, but valuations are fair and the litigation climate is no longer favorable for the industry."

But other tobacco stocks still account for more than 5 percent of his fund. He has a stake, for instance, in American Brands, which has no domestic tobacco market and huge sales in Britain, and he would buy Philip Morris stock again if the price dropped to $85. It closed Friday at $89.75.

For his part, Mr. Yacktman added to his position. "The company makes more money with the same revenue and fewer assets than Coca-Cola," he said. "They've got infrastructure in place, and they're taking off internationally."

As for the court cases, "you'll be well into the next century before the appeals process is exhausted," he said.

Harry Rosenbluth, manager of Smith Barney Premium Total Return, is also sticking with Philip Morris. "If you put aside the litigation and regulatory problems, on its own merits, based on growth and profitability, Philip Morris stock is undervalued by roughly one-half," he said.

Mr. Rosenbluth is not buying shares now, but about 7 percent of the fund is in tobacco.

Nineteen percent of the USAA Growth fund is invested in tobacco, and its manager, David G. Parsons, has been buying Philip Morris and RJR Nabisco Holdings Corp.

"It's a risk, but on any fundamental measure, they're marvelous companies," Mr. Parsons said.

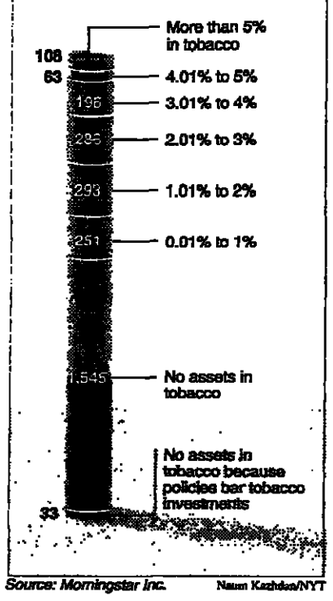
He is particularly impressed by how tobacco stocks generate cash flow with so little capital.

That view is seconded by Robert J. Sanborn, who has more than 6 percent of the Oakmark fund in tobacco-company stocks.

"Philip Morris is growing 20 percent and paying out half of its earnings in dividends," he said. The company raised its dividend on Wednesday by 20 percent.

Tobacco Power

The 2,775 domestic equity funds categorized by percentage of assets in tobacco stocks.



Source: Morningstar Inc. Nasim Kazhdan/NYT

Daimler Aerospace Cuts Approved

Compiled by Our Staff From Dispatches

MUNICH — Daimler-Benz Aerospace AG said Sunday that it had reached an agreement with unions on a cost-cutting program intended to return the company to profitability.

Employees approved the plan, announced in October, after months of demonstrations and walkouts protesting proposed job cuts and other measures it calls for.

"The cost cuts achieved create the optimal basis for German Airbus activities to occupy a key position in the planned reorganization of the European Airbus consortium," said Manfred Bischoff, chief executive.

"I am glad that we have all been able to prove to the world that Germany is still a location where it is possible to build aircraft at globally competitive conditions," he added.

The plan calls for staff cutbacks at Daimler-Benz Aerospace Airbus GmbH to roughly 11,500 employees at six locations by Dec. 31, 1997.

In addition, two plants will be spun off as individual entities. Starting Jan. 1, the plant in Speyer will be run by the 550 employees as a joint-stock company, while the Laupheim plant will be transformed into a separate legal entity in preparation for a possible sale.

Erwin Hilbrink, chairman of the company's works council, or employees organization, hailed employee ownership at Speyer, saying it gave the plant good prospects for the future.

Daimler-Benz Aerospace will help with the takeover at Speyer by offering the plant contracts at world prices for the first five years of its independence.

Mr. Hilbrink said that Speyer would probably reduce its work force by 100 employees, to 450, by 1999 to reduce costs and be in a position to compete for those contracts.

Daimler-Benz Aerospace said that it had been able to maintain more jobs than expected so far in 1996 because of an increase in orders.

UAL Corp.'s United Airlines ordered 24 Airbus A-319 aircraft last month. Those jetliners will be built at the Hamburg plant.

"The solutions found have allowed us to take on new orders at prices that will not lead to losses," Mr. Bischoff said.

He said Friday that he was very optimistic that the aircraft maker would turn in a profit beginning next year. In the first half, Daimler-Benz Aerospace narrowed its losses to 700 million Deutsche marks ($472.7 million) from 1.62 billion DM in the first half of 1995. *(Bloomberg, Reuters)*

A Vicious Circle for Europe's Reforms

By Carl Gewirtz
International Herald Tribune

PARIS — Borrowing a phrase from the 1992 U.S. presidential election campaign, analysts in Europe are crying, "It's the economy, stupid," at the politicians who are trying to create a monetary union.

The message is urgent. Starting with France next week and running to late November, European governments will be announcing budget-cutting plans for 1997 that are designed to enable them to comply with the spirit — although not the letter — of the requirements for monetary union.

Neither France nor Germany, the key candidate countries, is expected to be able to cut spending or raise taxes enough to lower deficits to 3 percent of the widest measure of total domestic output.

But with growth already slowed and unemployment at record-high levels and still climbing, Europe cannot afford a single-minded effort to cut budget deficits.

"Continental Europe is getting close to being caught in a growth trap," said John Llewellyn of Lehman Brothers in London.

"Because it's growing slowly," he said of the European economy, "it's got a budget deficit. But it also has a deficit because it has structural problems. The market knows about the structural problems, so it keeps long-term interest rates high — and long-term rates affect activity more than short-term rates do. And so policymakers are caught in a vicious circle."

Mr. Llewellyn said the way out is to "start attacking these structural problems" by reducing pensions, cutting public-health costs and deregulating labor markets.

"Our worry about EMU is not whether it will happen: It will," he said. "Our worry is that having been formed, it will come under immediate and significant political strain because people will unjustly blame EMU for slow growth and unemployment, which are in reality due to the structural problems."

The Maastricht treaty, which is the blueprint for economic and monetary union, is a device to oblige governments to reduce public deficits, Mr. Llewellyn said. "But the way to achieve that isn't to keep on tightening fiscal policy. It's through imple-

See REFORM, Page 12

CYBERSCAPE

Birth of the Net: True-False Quiz

By John Schwartz
Washington Post Service

WASHINGTON — True or false: The Internet was built by the military as a doomsday communications system designed to survive nuclear attack.

If you answered "true," then you have been keeping up with a lot of what has been written about the Net over the years, but you would not be quite right. The Internet has a decidedly mixed paternity.

Now Katie Hafner and Matthew Lyon have come wading in to sort out this historical mess. Their new book, "Where Wizards Stay Up Late: The Origins of the Internet," is a chronicle of the technology that holds a fascination for so many of us. Ms. Hafner is a contributing editor at Newsweek, and Mr. Lyon, her husband, works for the University of Texas.

Internet, Ms. Hafner and Mr. Lyon write, got its start the same way so many brilliant inventions do: with frustration. In this case, it was Bob Taylor's frustration. Mr. Taylor, an official at the Defense Department's Advanced Research Projects Agency in 1966, thought it was ridiculous that his office had three separate computer terminals to connect with three university computer systems his agency funded. Each system had its own software. So he talked his boss into a million dollars to come up with a way to connect these seemingly unconnectable computers.

The work then emerged from many minds. Part of the vision behind the project came from J.C.R. Licklider, who had written a 1960 essay in which he foresaw a time when computers would extend our brains the way other machines have extended our muscles.

By the late 1960s, that kind of vision was finally ripening as new technologies became practical. The nuts and bolts of getting computers to talk with each other came from such previously unsung heroes as Paul Baran, a researcher at Rand Corp. who proposed designing a nuclear-proof communications network, the British researcher Donald Davies and others who saw the possibilities in new technologies.

Once the first, four-node Net for Mr. Taylor came online and began expanding, other network experiments quickly followed — and a new problem emerged. Though computers on one network could talk to one another, many of the networks were now incompatible. The authors tell of the early 1970s effort to link the world's disparate networks. Headed up by a colorful, quotable computer scientist named Vinton Cerf, that project led to the "protocol," or software standards, that could be used to pass information "internetwork."

The result: our global "Internet."

Internet address: CyberScape@iht-lib.demon.co.uk

London Notebook

The Timing Is Off for Europe's Newest Stock Exchange

The sudden vogue for new exchanges that list some of Europe's youngest and fastest-growing companies will reach new heights on Sept. 30 with the launch of European Association of Securities Dealers Automated Quotation, or Easdaq, a new market-on-a-screen, patterned on the U.S. Nasdaq.

But the timing of the launch leaves much to be desired. With new small-company markets having sprung up in the past year in Britain, Germany and France and with Italy and Austria likely to follow soon, Easdaq faces stiff competition.

Another problem is one of regulation. One of Easdaq's biggest drawing cards was the promise of better regulation, and therefore of greater investor safety, offered by the new market's devotion to the Nasdaq model, but in the aftermath of recent charges by U.S. securities regulators of price fixing on Nasdaq, that claim already looks badly out of date.

But Stanislas Yassukovich, Easdaq's chairman, insists that his market will offer investors even more regulatory "checks and balances" than its American model. He said that the market's broker-dealers will be monitored by host-country regulators and that the workings of the Brussels-based market itself will be scrutinized by Belgian authorities.

In spite of its official, Brussels base, Mr. Yassukovich said that most of the dealing will be done in London. "Obviously the business will be transacted where the broker dealers are, and obviously the largest concentration is London," he said.

Work-Force Dropouts Help Statistics

The government's claims of having turned Britain's economy into one of the best performing in Europe have received a blow. The Bank of England has concluded that the country's surprising success at reducing the ranks of the unemployed owe far more to worker frustration than to job creation.

"The proportion of people neither employed nor actively seeking work — the inactive — rose sharply in the '90s," the bank's report said. It said labor-market dropouts accounted for "almost the entire net improvement" in the unemployment figures, a statistic that derives from the number of workers claiming unemployment benefits.

While there has been some growth in the number of jobs since the recovery began four years ago, the bank also said that nearly all new jobs fell under the heading of part-time posts.

Plenty of Room on the Train

The Eurostar trains passing through the Channel Tunnel bound for Paris and Brussels this summer are far more crowded than last year, but passenger numbers still fall short of predictions. London & Continental Railways, which took over the British operations of Eurostar on June 1, had hoped to more than double passenger numbers.

July figures show that Eurostar carried 529,000 passengers that month, up 72 percent from a year earlier, compared with a rise of more than 100 percent posted by the Le Shuttle trains carrying tourists and cars beneath the Channel. L&CR's aim is 6.5 million passengers this year, compared with 3 million last year.

ERIK IPSEN

Senior Fed Staff Pushes For Interest-Rate Rise

Bloomberg Business News

JACKSON HOLE, Wyoming — Senior Federal Reserve Board staff members are recommending a 25 to 50 percentage point increase in the overnight bank lending rate, even though policymakers on the Federal Open Market Committee rejected that advice at their last meeting.

Three senior Fed staff officials confirmed the recommendation during the weekend while at an international conference on price stability in Jackson Hole, Wyoming. They spoke only on the condition that their names not be disclosed.

The members of the Federal Open Markets Committee remain undecided about whether to increase the federal funds, or overnight bank lending, rate at their next meeting, Sept. 24, the staff officials said. The committee left the rate unchanged at 5.25 percent Aug. 20, amid signs that the economy may not be slowing as much as the members would have liked to see.

The seven Fed governors and five Fed bank presidents who serve on the rate-setting committee thus remain in a heightened state of alert for signs of inflation that would accompany overheating in the economy, the officials said.

According to minutes of their July meeting, the policymakers agreed to a rate increase if inflation accelerated.

CURRENCY RATES

Aug. 30

Cross Rates

	$	£	DM	FF	Lira	BFr	HFl	LFr	Yen	C$	Peseta
Amsterdam	1.4525	2.59	1.1252	0.2276	0.1090*	—	5.46*	1.3805	1.1260*	1.212	1.3255*
Brussels	38.44	67.80	29.5975	6.0175	2.883e*	10.372	—	25.3725	0.2980*	32.205	34.36*
Frankfurt	1.4809	2.5857	—	0.2022	0.9691*	0.3517	0.4054*	1.2335	1.2636*	1.1806	1.3536*
London (a)	1.5315	—	2.3482	7.9083	2.359.35	2.9487	47.395	1.1742	149.66	2.1302	115.488
Madrid	125.382	195.14	84.561	24.772	8.287*	75.401	4.1357	104.255	12.916	1,185.20	13.879
Milan	1,513.30	2,359.80	1,022.85	299.43	—	910.81	49.578	1,259.25	12.916	1,185.20	13.879
New York (b)	—	1.5428e	1.4806	5.069	1,572.08	1.4615	20.52	1.3894	148.95	1.3682	138.29
Paris	5.074	7.3965	3.4719	—	0.3115*	3.4571	0.1663	4.7109	4.4648*	2.7173	4.8475*
Tokyo	108.59	169.81	73.45	21.41	0.779	65.57	3.5679	90.85	—	79.39	0.8695
Toronto	1.3688	2.1371	0.9253	0.3298	0.0895*	0.8228	0.0448*	1.1347	1.2593*	—	1.097*
Zurich	1.2481	1.8243	0.8814	0.257	0.8794*	0.7235	0.3558*	—	1.1367*	0.877	0.9559*
1 ECU	1.2805	0.8247	1.1501	4.1733	1,043.89	2.1338	39.1457	1.5436	132.627	1.2547	108.284
1 SDR	1.4577	0.9261	1.1587	N.Q.	N.Q.	2.4234	44.6649	1.7481	151.089	1.1943	102.722

Closings in Amsterdam, London, New York, Milan, Paris, Toronto, and Zurich. Rates in other centers.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9968	Greek drac.	237.40	Mex. peso	7.532	S. Afr. rand	4.4685
Australian $	1.2655	Hong Kong $	7.7319	N. Zealand $	1.4476	S. Kor. won	819.00
Austrian sch.	10.435	Hung. forint	154.47	Norw. krone	6.4225	Swed. krona	6.6244
Brazil real	1.0017	Indian rupee	35.675	Phil. peso	26.21	Taiwan $	27.47
Chinese yuan	8.3364	Indo. rupiah	2342.5	Polish zloty	2.74	Thai baht	25.30
Czech koruna	26.04	Irish £	0.6188	Port. escudo	151.50	Turkish lira	86017.5
Danish krone	5.7349	Israeli shek.	3.1415	Russ ruble	5356.0	UAE dirham	3.6705
Egypt. pound	3.3874	Kuw dinar	0.2995	Saudi riyal	3.75	Venez. bolfv.	475.00
Fin. markka	4.4985	Malay. ring.	2.4925	Slov. $	1.4067		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.5555	1.5554	1.5552	Japanese yen	108.31	107.81	107.28
Canadian dollar	1.3652	1.3636	1.3620	Swiss franc	1.2002	1.1966	1.1935
Deutsche mark	1.4800	1.4773	1.4744				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from Reuters and A.P.

INTERNATIONAL CLASSIFIED MARKETPLACE

- Monday — *International Recruitment*
- Tuesday — *Education Directory*
- Wednesday — *Business Message Center*
- Thursday — *International Conferences and Seminars*
- Friday — *Real Estate Marketplace, Holidays and Travel*
- Saturday — *Arts and Antiques*

Plus over 300 headings in International Classified Monday through Saturday

For further information contact Fred Ronan in Paris: Tel: (33-1) 41 43 93 91 - Fax: (33-1) 41 43 93 70.

Herald International Tribune
THE WORLD'S DAILY NEWSPAPER

CURRENCY AND CAPITAL MARKET SERVICES

IFEXCO
International Foreign Exchange Corporation
THE RELIABLE PARTNER
SEE US ON NBC TEXT PAGES 355 & 356
Discounted commissions - 24 hour trading desk
Internet site: www.ifexco.com - Reuters page IFEX
86 bis route de Frontenex - 1208 Geneva - Switzerland
Tel (41) 22 849 7411 - 24hr (41) 22 849 7440 - Fax (41) 22 700 1913

surge trading
SURGE TRADING S.A.
FOREX & FUTURES BROKERS
24 HOUR DESK
FREE FOREX AND COMMODITIES REPORTS VIA E MAIL
VISIT OUR SITE AT http://www.surgetrd.com
21-23 Rue du Clos, CH-1211 GENEVA 6
Tel.: (41) 22-700 2051 Fax: (41) 22-700 2061
SEE US ON CNN - TEXT PAGE 695

FOREX CAPITAL MEMBER FIRMS

EXECUTION-FUTURES	*$15-min, $39-max, per trade*
EXECUTION-SPOT	*1 pip-min, 5 pip-max, per trade*
OUTSTANDING	*Analysis for all Major Markets*
SUPERIOR	*Selection of Managed Accounts*

30 Years of Experience is Waiting to Serve You!
Call TOLL-FREE for a Complimentary Services Guide

Switzerland	1557233	U.K.	0800968632	Germany	0130829686
France	05902246	Netherlands	060220657	Belgium	080015890
Denmark	80016132	Luxembourg	08004552	Greece	00800119213013
Italy	167875928	Sweden	020795056	Spain	900971408
Portugal	0501112632	Finland	0800110064	Japan	0031126809
Singapore	8001202501	Hong Kong	8007209	Australia	1800125944
N Zealand	0800441880	S. Africa	0800996337	Israel	1771503783
Colombia	980153713	Cyprus	08098868	Turkey	00800138219013
Bermuda	18008119063	N.A.	0018008119063	Brazil	0008145502579
Thailand	001800120662059	Korea	0078148002633		

USA-Toll Voice +212-858-7778 USA Fax +212-858-7750
53 WALL ST. 5TH FL. N.Y. N.Y. 10005 USA

REHDER & PARTNER AG, ZUG - Switzerland
SENNWEIDSTRASSE 43 - 6312 STEINHAUSEN
FOREX
Managed Accounts
Please contact:
Martin Gloor, Tel.: 0041 41 740 00 22 - Fax: 0041 41 740 00 29

24 HOUR FOREIGN EXCHANGE
IG INDEX FOREIGN EXCHANGE
- Keen spreads; no commission
- Minimum transaction $100,000
- Competitive margin rates

IG Index plc, 1 Warwick Row, London SW1E 5ER, Great Britain
Tel: -44-171-896-0022 Fax: -44-171-896-0010

FOREIGN BROKERS AND TRADERS
Fox Investments
- ☐ Seeking Foreign Brokering Relationships
- ☐ Competitive Execution and Clearing Rates
- ☐ Institutional Floor Execution Facilities
- ☐ 24-Hour Desk- Global Market Access
- ☐ Member of All Principal US Futures Exchanges

For Information Contact R. Fivian or N. Hirsch
(US)001-1312-341-7819 / Fax 001-1312-341-7599
A Division of Rosenthal Collins Group, L.P. Chicago, Illinois

FOREX
Managed Accounts
With U.S. $ 700 Million under management, achieved NET profits were:
1993: 54.73% 1994: 217.70% 1995: 141.41%
Minimum discretionary account accepted: U.S. $ 250,000
Individual accounts are opened at banks in London or Geneva
Aminex S.A.R.L.
Geneva, Switzerland Tel.: (41-22) 787 57 57 - Fax: 787 57 58

CAPITAL MARKET - PROJECT FINANCE
BANK GUARANTEED
FIXED TERM 100% LOAN/EQUITY FINANCE
SUBJECT TO ACCEPTABLE BUSINESS PLAN AND PROJECT DUE DILIGENCE
JAQUILA GROUP - FRANCE
(FAX) 33-93 87 01 64

For further details on how to place your listing contact:
WILL NICHOLSON in London
Tel.: (44) 171 836 48 02 - Fax: (44) 171 240 2254
Herald International Tribune

SHORT COVER

Winchester Closes Brokerage Arm

LONDON (Bloomberg) — Winchester Commodities Group has closed its brokerage arm, blaming a downturn in the metals market and adverse publicity in the wake of the Sumitomo Corp. copper scandal.

The company told the Securities and Futures Authority of Britain that its main brokerage arm was ceasing trading as of Friday.

"The firm is still trading profitably," a spokesman said, adding that the Winchester Trading and Winchester Asset Management subsidiaries were continuing operations.

Regulators have investigated Winchester Commodities in their investigation of the trader Yasuo Hamanaka, whom Sumitomo has blamed for its $1.8 billion trading losses in copper.

7 Failed Japan Thrifts Yield Assets

TOKYO (AFP) — Seven failed Japanese housing loan companies signed a contract during the weekend to hand over their assets, mostly bad loans resulting from lending in the late 1980s, to a company that is to spend the next 15 years recovering their value.

The loans by the *jusen*, 6.41 trillion yen ($59.08 billion), will be covered with taxpayers' money and contributions from financial institutions, including those that founded the loan companies. The Housing Loan Administration Corp. will seek to recover property-related loans worth 6.78 trillion yen. It is to present a strategy by midmonth.

Philippine GNP Hits 6-Year High

MANILA (Bloomberg) — The Philippines' gross national product grew at a 7.69 percent annual rate in the second quarter, the fastest expansion in more than six years, the government has said.

Gross domestic product, which does not include remittances from overseas workers, was 5.8 percent larger than in the second quarter of 1995,the National Economic & Development Authority said over the weekend.

GEC Alsthom Unit Gets Cruise Ship Orders

Bloomberg Business News

PARIS — Chantiers de l'Atlantique has received confirmation of an order for two cruise liners from Renaissance Cruises of the United States, the shipbuilder's parent, GEC Alsthom, said Sunday.

The order will mean 4 million hours worth of work for Chantiers de l'Atlantique and its subcontractors. The company, based at Saint-Nazaire on the west coast of France, is the only shipyard in the country that is not state-owned.

French reports said the contract was worth about 2.5 billion French francs ($492.7 million). Company executives could not be reached for comment.

The 350-cabin ships will operate in the Mediterranean and are to be delivered in June 1998 and February 1999.

GEC Alsthom is jointly owned by General Electric Co. of Britain and Alcatel Alsthom of France.

REFORM: *EMU's Pressures*

Continued from Page 11

menting structural reforms that you get faster economic growth to produce the additional revenues needed to reduce the deficit."

For Jonathan Wilmot at CS First Boston in London, the current risk is that "politicians agree that EMU is too important to be held hostage to the debt and deficit criteria and simply announce their intention to plow on regardless."

An unraveling of the convergence requirements, he said, would be a disaster, sapping confidence in the Euro, the planned common currency, causing capital to flee Europe and driving interest rates sky-high.

"There is no plausible alternative for reducing Europe's growth deficit than through genuine reform of pension and social security systems, privatizations, tax reform, increased deregulation and increased labor market flexibility," Mr. Wilmot said.

Fidelity Risks Lagging Its Rivals

Yearly Returns on Its U.S. Funds Have Led Since '81

Bloomberg Business News

BOSTON — Fidelity Investments Co.'s domestic stock funds are on the verge of generating their weakest full-year investment returns since the 1980s, as compared with those of competitors.

"In terms of performance, 1996 is shaping up to be the toughest for Fidelity in 16 years," said John Rekenthaler of Morningstar Inc.

Domestic Fidelity stock funds recorded higher returns than the average of their peer groups every year from 1981 through 1995, Mr. Rekenthaler said.

But in the first seven-end-a-half months of this year, Fidelity's domestic stock funds rose an average of 6.72 percent, while the average stock fund climbed 9.22 percent. The Standard & Poor's 500 index, the benchmark for stock funds, gained 8.89 percent.

Some of Fidelity's largest domestic stock funds, including Magellan, Retirement Growth and Blue Chip Growth, are recording the most disappointing returns. But returns at other widely held funds, such as Puritan, Trend, Small Cap Stock, Capital Appreciation and Growth & Income, are also running behind the averages for their sectors, according to the research group Lipper Analytical Services Inc.

The flagship Magellan Fund, the largest in America, is up just 1.8 percent this year. The $8.2 billion Blue Chip Growth Fund has gained 4.3 percent, while the $4 billion Retirement Growth Fund has grown only 1.8 percent.

Not all Fidelity funds have suffered. Equity-Income, Dividend Growth, OTC and Low-Priced Stock are among the diversified stock funds that have posted above-average returns this year.

Over the long term, Fidelity's performance has been consistently good. The slump this year is noteworthy principally because it is so unusual for the biggest U.S. fund group.

"It hasn't been a disastrous year for Fidelity," said Eric Kobren, who once worked for the company and now runs the research and investment firm Insight Management Inc. "If you take out the subpar performance of Magellan and Retirement Growth, you don't get a bad picture."

Magellan's problems began in late 1995, when its former manager, Jeffrey Vinik, started buying bonds aggressively, only to see prices fall sharply. Magellan had about $9.2 billion, or 18.1 percent of its portfolio, invested in bonds at the end of June.

Funds such as Blue Chip Growth also held an inordinate amount of their assets in bonds and cash at the start of the year rather than equities, causing them to miss part of the stock market rally.

"Our goal always is to provide superior long-term performances, and we emphasize that to our equity fund shareholder," a Fidelity spokesman said. "Our equity funds have continued to produce superior returns over the long term relative to both the market and their peers.

"Focusing on short-term performance does a disservice to any investor in an equity fund and particularly to those who are invested in an equity fund through a retirement account," he said.

William Hayes, chief operating officer for equity investments, was not available for comment.

This year has been one of the most turbulent years for Fidelity, which changed managers of 26 equity funds in March. Two top fund officials have since left. Mr. Vinik resigned in early June, and Robert Beckwitt quit last week for a job at Goldman, Sachs & Co. after having been removed as manager of the $14 billion Asset Manager group of funds in the March reordering.

"There has already been a lot of changes, and there will undoubtedly be more if performance doesn't improve," said A. Michael Lipper, president of Lipper Analytical.

INTERNATIONAL CLASSIFIED

Moving

AGS INT'L MOVING
A.G.S. PARIS (33-1) 40 80 20 20

Announcements

Attention visitors from the U.S!

If you enjoy reading the IHT when you travel, why not also get it at home?
Same-day delivery available in key U.S. cities
Call (1) 800 882 2884
(in New York call 212 752 3890)
Herald Tribune

BAREME AS 24
AU 2 SEPTEMBRE 1996
Prix Hors TVA en devise locale
(traduction disponible sur demande)
Remplace les baremes antérieurs

FRANCE (zone C) en FFR - TVA 20,6%
GO: 3,62 FOD*: 2,21
SC97: 5,18 SCSP: 4,99

U.K. zone B en LR - TVA 17,5% (Red 8%)
GO: 0,5054 FOD*: 0,3209

ALLEMAGNE (zone I) DMI - TVA 15%
AU 30/08/96
ZONE I - E :
GO: 1,01
ZONE II - I :
GO: 1,02
SC97: 1,40 SCSP: 1,37
ZONE III - F :
GO: 0,98 SCSP: 1,37
ZONE IV - F :
GO: 1,01 SCSP: 1,34
ZONE IV - G :
GO: 1,02 FOD: 0,57

BELGIQUE en FBI - TVA 21%
GO: 21,32 FOD*: 10,19
SC97: 30,74 SCSP: 28,75

HOLLANDE (zone2) NLGI - TVA 17,5%
GO: 1,215

LUXEMBOURG en LUFI - TVA 15%
GO: 18,52

ESPAGNE (zone A) en PTASI-TVA 16%
GO: 79,22
SC97: 101,29 SCSP: 101,96

* Usage reglementé

Auto Rentals

RENT AUTO DERGI FRANCE
24 HOURS: FF185 - 7 DAYS: FF 1500
TEL: PARIS 33 (1) 45 87 27 04

Legal Services

DIVORCE IN 1 DAY. No travel. Write: Box 377, Sudbury, MA 01776 USA. Tel: 508/443-8387, Fax: 508/443-0183.

Business Opportunities

OFFSHORE BANKS
INSURANCE BANKS
COMPANIES & TRUSTS
ASSET PROTECTION
IMMIGRATION/PASSPORTS
TRADE-FINANCE

ASTON CORPORATION
TRUSTEES LTD
19 Peel Road, Douglas, Isle of Man
Tel: 01624 626591
Fax: 01624 625125
London Tel: (171) 222 8866
Fax: (171) 233 1518.
E Mail No. aston@enterprise.net

IRISH NON-RESIDENT COMPANIES $350
Ideal tax-avoidance vehicles:
Low profile, tax free European. Suitable for trading, consultancy & other activities. For immediate service contact:
Eilish Murphy, Director, Sovereign Company Services, 58 Fitzwilliam Square, Dublin 2, Ireland.
Tel: + 353 1 6618490 Fax: 6618493

HONG KONG CO. $607. Annual cost $499. SR Ltd. 701, 35 Queen's Rd. C. HK. Tel: 852-2525-0275 Fax 2840-0217

OFFSHORE COMPANIES. For free brochure or advice Tel: London 44 181 741 1224 Fax: 44 181 748 6558/8338 www.appleton.co.uk

Business Services

Kallback Offers Lowest Rates Ever!
Enjoy even greater savings on International calls. Benefit from the same low rates 24-hours a day. We secure the clearest and most reliable lines. Use Kallback from home, work or hotels and save.
Call now and save more today!
Tel 1-206-284-8600
Fax 1-206-282-6666
Lines open 24 hours.
Agents inquiries welcome!
kallback
417 Second Avenue West
Seattle, WA 98119 USA

GENEVA
SWITZERLAND
Full Service is our Business
- International law and taxes
- Mailbox, telephone, telex and telecopier services
- Translation and secretarial services
- formation, domiciliation and administration of Swiss and foreign companies
- Furnished offices and conference rooms for daily or monthly rental

Full confidence and discretion assured.
BUSINESS ADVISORY SERVICES S.A.
7 Rue Muzy, 1207 GENEVA
Tel 736 05 40, Tlx 413222, Fax 789 08 44

Lowest Int'l TelePhone Rates!
Call The USA From:

Germany	$0.33
UK	$0.25
France	$0.32
Switzerland	$0.36
Sweden	$0.25
Saudi Arabia	$0.69

Call For All Rates
25% Commission
Agents Welcome!
KallMart
Tel: 1-407-777-4222 Fax: 1-407-777-6411
http://vpn.com/kallmart

YOUR OFFICE IN LONDON
Bond Street - Mail, Phone, Fax, Telex
Tel: 44 171 499 9192 Fax 171 499 7517

Financial Services

PRIME BANK GUARANTEES
Venture Capital Finance Available for Government Projects and Government Companies that are for sale.
Large Projects our Specialty
Also, Long Term Finance for Large and Small Companies
No commission Until Funded

REPRESENTATIVE
Needed to act as Liaison
Please reply in English

VENTURE CAPITAL CONSULTANTS
Investment bankers
16311 Ventura Blvd., Suite 998
Encino, California 91436 U.S.A.
Fax No.: (818) 905-1698
Tel.: (818) 788-0422

Real Estate for Rent

Paris Area Furnished

AGENCE CHAMPS ELYSEES
Specialists:
Furnished apartments, 3 months or more or unfurnished, residential areas.
Tel: (1) 42 25 32 25
Fax: (1) 45 63 37 09

Facing Hotel CONCORDE LAFAYETTE
Luxurious 2 rooms, TV, phone.
No agency fee. FF6,500.
Lease 1 month or more.
95 Bd Bourdon St Cyr, Paris 17th
Tel: (1) 43 89 65 61

CAPITALE * PARTNERS
Handpicked quality apartments, all sizes
Paris and suburbs
Tel: 1-4614 8211. Fax: 1-4614 8215
We help you best !

9th, NEAR 7th, over garden, living + bedroom, class, newly redone, equipped, sun, quiet, FF7,650. Owner 1-45670458

5th, LATIN QUARTER. 2 apartments in townhouse: both 2 rooms, bathroom, kitchen, all comforts. Tel: 1-43 54 65 66

YOUR HOME IN PARIS
INTERURBIS
Luxury rentals & sales
31 rue de Monceau, Paris 75008
Tel: (1) 45 63 17 77

MAILED FROM AMERICA

USA TO (or for) YOU!
We buy & ship almost anything direct to you — or to loved ones in USA. Free brochure.
A TOUCH OF HOME
7522 FM 1960 West, Ste 343
Houston, TX 77070 USA
Tel: 713-320-9100 USA
FAX: 713-320-0014 USA

To our readers in France
It's never been easier to subscribe and save with our new toll free service.
Just call us today at 05 437 437

Paris Area Unfurnished

Embassy Service
YOUR REAL ESTATE AGENT IN PARIS
Tel: (1) 47.20.30.05

Real Estate for Sale

Paris and Suburbs

ILE SAINT LOUIS, apartment for sale. Direct views of Notre Dame & the Seine. US: Tel (1-310) 440 0557 Fax 440 0857

International Herald Tribune ads work

INTERNATIONAL RECRUITMENT

Employment Services

ARE YOU LOOKING FOR A TOP secretary or executive ? Please contact Vanessa Raine, Recruitment consultant GK Int'l, Paris (1) 47 03 40 13

Educational Positions Available

ENGLISH TEACHERS
Experienced
for Business People
Dynamic, Friendly Team
Innovative Teaching Methods
Paris-Suburbs Working Papers
Comptoir des Langues (1) 45 61 53 56

GOVERNESS SOUGHT. Seeking governess for 6 year old girl. Generous compensation package with all meals and lodging provided. Required to teach French, Spanish and English. Sensitive to Asian/Filipino customs and will enhance Catholic girl school education. Based in Manila. Resumes/inquiries Fax (632) 812-8408 Or call Mr. Silva (632) 892-2916

TRANSFER FORMATION CONSEIL is recruting experienced language trainers. TEFL preferred. Professional experience a bonus. Valied work papers a necessity. Please contact: Isobel Court (1) 4266 1411 or send CV to 20 rue Godot de Mauroy, 75009 Paris, France

Executives Available

EUROPEAN FINANCE Professional. Fluent in Italian, English, French and German MBA (New York University), CPA (Maryland) Italian national-US permanent resident. 10 years + international experience with top corporations and banks with key strengths in arranging financing and risk analyses seeks new opportunities. Target areas include international joint ventures, restructurings and investment analysis. Willing to travel extensively. Flexible as to location. Please reply to Box 099, International Herald Tribune, Via Cassolo 6, 20122 Milano, Italy

- A TOP BUSINESSMAN FOR A TOP COMPANY -
Successful self-made man, dual nationality French/Canadian, living in Monaco & Montreal. Just sold his business, now ready for a new, exciting opportunity with a top company. Free to travel.
Tel: (33) 76 87 10 10
Fax: (33) 76 87 74 64

FRENCH EXECUTIVE. MBA/Business, 40, seeks an international position "Export, licensing, franchising." 15 years of experience in the management of local profit centers and development of new activities. International experience: USA, Japan, UK, Norway, Italy. Languages: English, German, Spanish. contact Michel Feisa Tel (33-1) 47 55 14 42 Fax (33-1) 45 53 05 90

Bloomberg FINANCIAL MARKETS COMMODITIES NEWS

Building Our Presence in Europe

Bloomberg L.P. is a leading high-tech, multimedia information firm, providing sophisticated data, news and analysis to investment professionals and major companies around the world.

Bloomberg News is seeking a number of talented, motivated and resourceful journalists as we expand our highly successful news service in Europe. Opportunities have arisen for:

Reporters
Based in Zurich, Amsterdam and Paris
Successful applicants will have:
- Two to five years' experience with a major news agency, newspaper or magazine
- Knowledge of the economy and financial markets
- Exceptional writing skills - able to deliver quality work to tight deadlines
- Fluent written and spoken English and a good command of the relevant local language

Editor
Based in Paris
A unique opportunity for a seasoned news professional to be the editor in our Paris bureau. Requirements include:
- Around 5 years' experience gained in news agency, newspaper or magazine environments
- Knowledge of the economy, financial markets and international affairs
- Strong news judgement with an excellent sense of story structure
- Bilingual French and English

Please send your resume to Linda Norris, Human Resources, Bloomberg L.P., City Gate House, London, EC2A 1PQ. To fax, please dial: 44-171-330-7228.

unicef
United Nations Children's Fund
DIRECTOR, INFORMATION RESOURCES MANAGEMENT
Duty Station: New York, USA

JOIN ONE OF THE WORLD'S OUTSTANDING SERVICE ORGANIZATIONS

The United Nations Children's Fund, with Headquarters in New York, 130 offices throughout the world, and an annual budget of $1 billion, seeks qualified candidates for the position of **Director of Information Resources Management (IRM)**. We need someone with the vision, drive and technology skills to help lead UNICEF into the 21st Century with new, cost-effective technology, in the areas of computers and communications.

Qualifications:
- Masters degree in field of computer science, business administration or related field.
- Sound knowledge of current computer and communications technology trends and issues.
- Minimum of 15 years of experience in the field of information technology, 5 years of which in a senior managerial position.
- Extensive experience with international operations and multicultural environments.
- Excellent management and communication skills.
- Service oriented.

Applications by female candidates are especially welcome. Please send detailed resume, in English, quoting reference number 85324 (IHT) to: Recruitment and Placement Section (SEK), UNICEF, 3 UN Plaza (H-5F), New York, NY 10017, USA, or fax (212) 303-7975. Applications for this position must be received by September 16. Acknowledgement will be sent only to shortlisted candidates.

UNICEF was established by the United Nations to advocate for the protection of children's rights worldwide, to help meet their basic needs and to expand their opportunities to reach their full potential.

UNICEF is a smoke-free environment.

Director of Product Marketing, Europe

Netscape Communications is the fastest growing Internet/Intranet software company in the world. We are building momentum with fresh ideas from people who are making an impact on the future of Internet Technology. Netscape's European organization is driving a significant portion of its worldwide revenue.

This rapid and successful growth has created the need for a dynamic individual to create and drive the implementation of our pan-european marketing strategy. This is a unique opportunity to build and manage a world class product marketing organization. Your initial charter will be to develop and implement European product marketing strategy to optimally address field requirements and to contribute to the creation of a truly multi-lingual team of superior marketing professionals.

Selected candidate will be a self-starter with a successful track record in product marketing management and hands-on experience building a marketing group at the pan-european level in a highly-creative, very dynamic environment. An in-depth understanding of the software industry is essential. Bachelor's or equivalent in a technical discipline is preferred.

Please forward your c.v. in confidence to:
A. Flieger, Netscape Communications SA, CNIT-B.P.370 2, Place de la Defense, 92053 Paris, La Defense France;
e-mail: ariane@netscape.com;
fax: (33)1 4197 5500

Netscape is an equal opportunity employer.
NETSCAPE

ADMINISTRATIVE/ SECRETARIAL POSITIONS

SOCIETE DE CONSEIL INTERNATIONALE
recherche à MI-TEMPS une
Hôtesse Standardiste
Excellente présentation - Pratique courante de l'anglais - Maîtrise du traitement de texte.
Horaires 16H00 - 20H00.
Envoyer lettre manuscrite, CV, photo et prétentions sous réf. CHL à
COR'EX
11, avenue Myron Herrick - 75008 Paris

TREASURY ADMINISTRATIVE ASSISTANT
US Company seeks motivated bilingual Back Office Administrator / Secretary.
REQUIRES:
- Native English.
- Computer literacy.
- Communications skills and initiative.

Send CV to: Rockwell France, Tour GAN, Cedex 13, 92082 La Défense 2.

Find A Job, Fast!
http://www.washingtonpost.com
The Washington Post Career post

YOU SAW THIS AD.
So did nearly half a million well-educated, influential and successful readers.
Shouldn't you too advertise your recruitment ads in the INTERNATIONAL HERALD TRIBUNE?

LEBANESE, 35 YEARS OLD, business graduate, 10 years FMCG sales and marketing experience in the Middle East, requires better opportunity. Fax: 00966-2-6609971 attn: SALEM - Saudi Arabia.

General Positions Wanted

FRENCH RESTAURANT MANAGER, 38 fluent English, familiar with US, no green card. SEEKS interesting Job opportunity in USA. Tel 33-99390-83 Mr Lechevallier 19 rue de St Malo 35000 Rennes France

AMERICAN FEMALE SEEKS secretarial assistant position in Geneva. Available immediately Tel: 813-397-0812 USA

FRENCH GRADUATE, 49 yrs old, would look after children & do French cooking. 1 yr in USA. Tel: 33-35 76 60 35.

General Positions Available

US TAX PREPARER Part/full-time, Paris. CPA or law degree a plus. Reply to box 094 IHT 92521 Neuilly Cedex France.

TRANSLATION COMPANY (established multinational) seeks young graduate to coordinate multi-language projects. Strong organisational and communication skills a must. WP/computer skills and 2nd language highly desirable. Will train in central London office. Available immediately. Send CV to PI-APM, Suite 152, 25 Southampton Bldgs., LONDON WC2A 1AW

RELOCATION SERVICES CO. seeks sales representative, French / English bilingual, independent, dynamic, good appearance, business degree, sales experience. Tel: Paris (33-1) 40 74 00 02.

INT'L ORGANISATION is seeking an administrative assistant. Good writing capabilities, knowledge of Macintosh (Word, Excel, etc.) & English-speaking required. Send CV & salary requirements to: IURS 51 bd de Montmorency, 75016 Paris. Fax: (33-1) 4525 2029

Secretarial Positions Available

BILINGUAL Secretary for small professional firm, Paris. Varied work/client contact, initiative a must Tel 1-4413 6950

INT'L BUSINESS ORGANISATION seeks motivated secretary for small Paris Headquarters. Requires native English & competent French (preferably bilingual), excellent writing skills & computer literacy (Word 6, Excel). Must show initiative and appropriate prior experience. FF180,000/year (negotiable). French work permit. Send CV to Box 100 I.H.T. 92521 Neuilly Cedex France

DIPLOMATIC MISSION seeks English mother-tongue secretary, French helpful. Call Paris (1) 53 75 61 59

Secretaries Available

ENGLISH LADY (young 44) seeks part-time employment in Zurich as personal assistant/secretary. Fluent German; good French & Spanish; some spoken knowledge of Italian. Swiss permit "C". Excellent references. Answer to Box 93, Herald Tribune, 92521 Neuilly Cedex, France.

هكذا من الأصل

صكذا من الاصل

Aviation

Is Golden Age Ending For World's Fighters?

By Joseph Fitchett

PARIS — Manufacturers from the United States, Europe and Russia are presenting a strong lineup of warplanes at the Farnborough Air Show this year, but there is a glaring absence of any strikingly original fighters or technological breakthroughs.

There is nothing on exhibit that is on a par with Stealth technology or computer-run flight controls, the sort of innovations that signaled revolutionary changes in air war even as late as the aftermath of the Gulf campaign.

The fighters at Farnborough already seem slightly familiar, partly because the technologies date back to the 1980s. The planes — the Eurofighter, the Rafale, the Gripen, even the new Russian Sukhois — have been in the public eye as mock-ups for years, even decades in some cases, as they have trailed through parliamentary hearings while governments haggled over costs and stretched out deliveries of warplanes.

More importantly, the absence of exciting innovations reflects an historic change at the cutting edge of military power. Fighters, if not yet ready for their last hurrah, seem destined to decline as a strategic priority. Missiles and their electronic support systems seem bound to assume a decisive role in striking targets from a safe distance, including the incoming airplanes of an adversary.

Although missiles need to be developed and refined much further before they can aspire to replace fighters, the West has time to pursue this option, many strategists say. "The planes we will have in the next few years will be able to cope with any foreseeable threat for the next half-century," says a French military planner. He points out that only a few countries — the United States, Russia, Britain and France — are able to build new series of warplanes, so these nations seem increasingly likely to make missiles the mainstay of their striking power from the air.

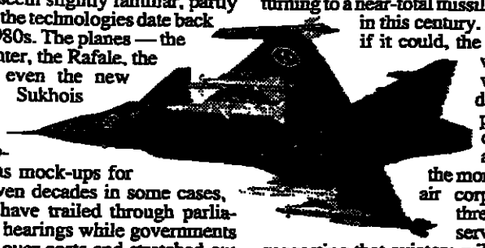
The role of missiles seems likely to accelerate in military investments over the next decade, most experts say, with the corollary of a congruent decline in spending on fighters.

Of course, the shift in military emphasis will not stop air forces from buying new fighters. For one thing, only the United States has the technological ability to even think about turning to a near-total missile air force in this century. And even if it could, the Pentagon would not want to deal a crippling psychological blow to the morale of the air corps in all three armed services by suggesting that aviators will become big-time video game players.

Defense industries, however, seem better placed to manage the shift. In the United States, the mergers of the early 1990s have forged companies and alliances that can absorb a transition from airframes to electronics.

More slowly, Europe is moving in the same direction, with France's Aerospatiale and Germany's Deutsche Aerospace, two leading plane builders, agreeing this year to marry their missile operations. France's Matra, bidding to take over Thomson, the defense electronics giant, ultimately is eyeing a larger tie-up that includes British Aerospace, Europe's premier aircraft manufac-

Continued on Page 19



JAS/Jane's

Sweden's Gripen JAS-39, an agile and sophisticated interceptor.



David Sater/IHT

Gingerly, EU and U.S. Move Toward Open Skies

By Barry James

PARIS — The European Union and the United States will sit down for the first time this fall to begin discussing mutual access to each other's aviation markets.

Some observers say that talks could eventually lead to a multilateral "open skies" agreement.

Although the United States has concluded such agreements facilitating traffic with many individual countries, it has never succeeded in obtaining an open skies agreement with a whole group of nations.

Aviation was excluded from the Treaty of Rome that established the European Community. But the European Commission, the executive body of the EU, has long argued that it should be given negotiating rights. Lack of a common voice, it says, jeopardizes Europe's single aviation market.

Earlier this summer, all of the EU's members with the exception of Britain agreed to give Neil Kinnock, the EU transport commissioner, a limited negotiating mandate.

Mr. Kinnock is expected to open negotiations at the end of October on so-called "soft rights," referring to regulatory issues, antitrust policy, computer reservation systems, leasing and ownership. If these talks are productive, the negotiations would be enlarged to cover access to markets. Most countries still are wary of signing over to the commission the authority to negotiate on traffic rights.

The EU adopted a common position following Washington's offer to six smaller EU members — Belgium, Austria, Sweden, Finland, Denmark and Luxembourg — to conclude bilateral open skies agreements.

Mr. Kinnock has opened legal proceedings against those six countries, in addition to Germany and Britain, in an attempt to prevent these deals from going forward. The Commission says it

Continued on Page 16

Revolution in the Air: Smart Cards and Hubbing

By Barry James

PARIS — Although the planes look the same, the world's civil aviation industry has embarked on what many see as its biggest revolution since the dawn of the jet age.

A combination of communication, computer and satellite technology has begun to change the way that airlines fly and conduct business with their customers.

Within the next 10 or 15 years, most airlines will allow passengers to book and pay for their flight with an electronic "smart card" containing details of their seating and other preferences.

As in the United States, passengers in the rest of the world may have to fly to a huge hub airport to connect with a flight to their destination. But with full deregulation in Europe, scheduled to come into force next April, passengers there will also have increasing choice of flights between secondary regional airports.

Some passengers will fly aboard an aircraft with 600 to 800 other people. To while away the time, they will be able to play poker or blackjack on video monitors, playing for cash or frequent flyer miles, and thus make the airlines considerably richer.

But the real revolution is the one that passengers will not see. It is still called the Future Air Navigation System, or FANS, but it has already been in use across the Pacific Ocean for more than a year.

The system, which takes information from global positioning satellites, allows pilots to know exactly where they are and permits controllers to keep a watch on aircraft well beyond radar range.

At present, most aircraft fly along highways in the sky, relying on ground-based navigational beacons to fix their position. Using satellite technology, pilots will be able to set their own course, flying point to point rather than on dog-legs and selecting their height to take advantage of favorable winds. With such "dynamic rerouting" techniques, the system offers the prospect of saving more than $6,000 in fuel and other costs on a trans-Atlantic flight.

The navigation system will also enable pilots to land at airports with poor visibility, which in turn will help the airlines maintain reliable schedules.

The most obvious use of the navigation system is over oceans and sparsely populated regions where there are no beacons, making many more routes available. A new satellite station in Afghanistan, for example, has improved communications to allow for more direct air routes between Europe and Asia.

But experts say FANS can contribute to the efficiency of air travel even in Western Europe, the United States and other areas that have highly developed ground-based navigation systems.

Because the satellite data enables pilots and controllers to establish the position of an aircraft to within 100 feet (30 meters) or so, it will be possible to fit more planes onto a route.

Given the prospective growth in air travel in the next 15 years, this is of

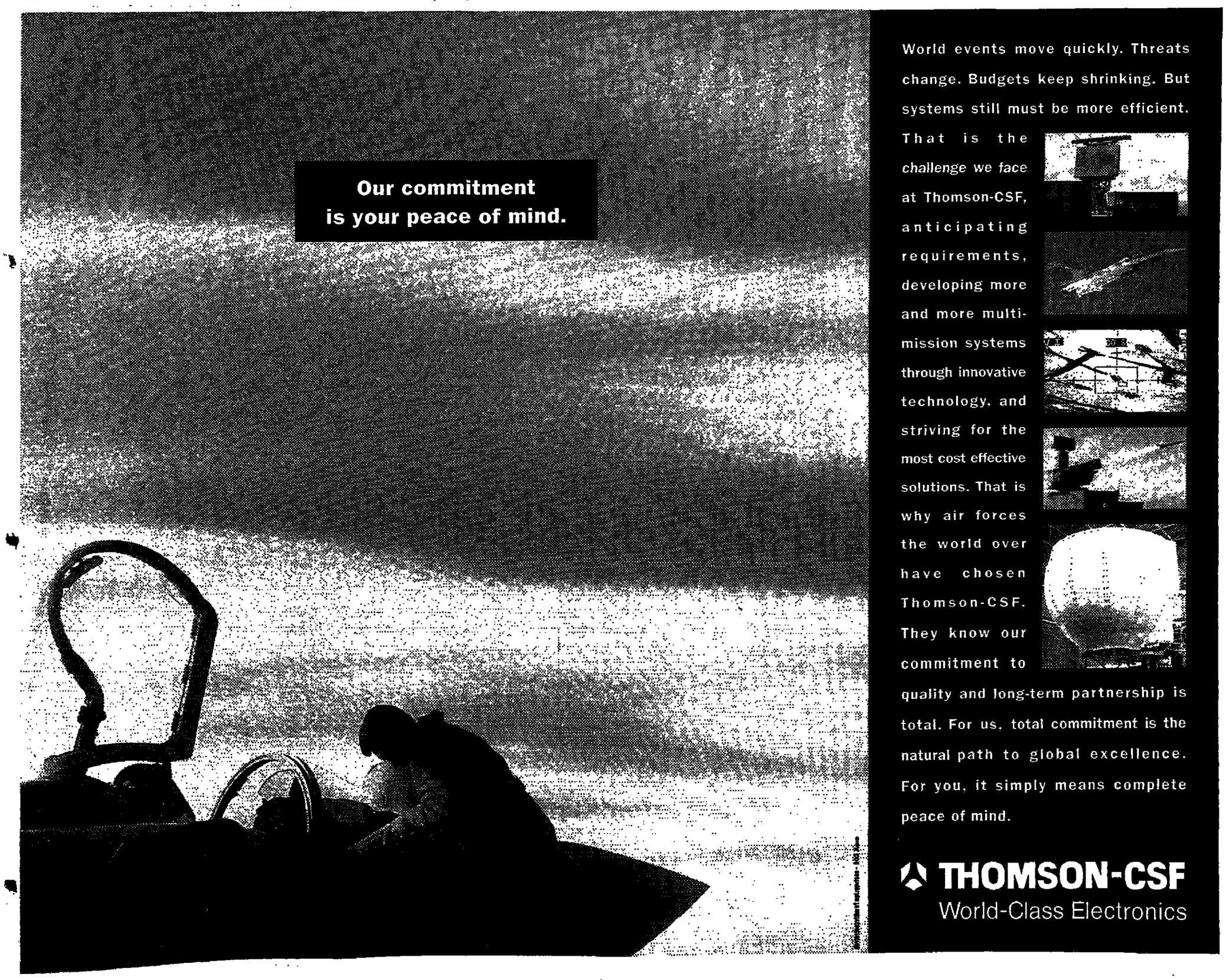
Continued on Page 18

INSIDE

Airbus is getting ready to press ahead with its plans to build a "super-jumbo" jet. Page 14.

Cheong Choong Kong, deputy chairman of Singapore Airlines, and Pierre Jeanniot, director-general of IATA, discuss deregulation. Page 17.

The never-ending battle to reduce both the risks and the perceived risks of flying. Page 18.



AVIATION / A SPECIAL REPORT

Airbus Pins Hopes on 'Super-Jumbo'

By Julian Nundy

PARIS — Believing that its use of state-of-the-art technology gives it an important edge over the Boeing 747, an aircraft based on an original 1960s concept, the European Airbus consortium seems set to press ahead to build a "super-jumbo" that will seat 550 passengers in its initial standard version.

At the moment, Airbus Industrie produces planes ranging from 125-seaters — the A-320 and its A-319 and A-321 derivatives — up to the four-engined A-340 that seats 390. The Boeing 747-400 holds 100 more passengers than the A-340 and the Seattle plane-maker is promising a new, bigger version to take more than 500 in the classic three-class configuration by the year 2001.

John Leahy, an Airbus senior vice president, says that, although current Airbus plans mean that the Toulouse-based consortium could not expect to produce a super-jumbo before 2003, its cheaper operating costs and more advanced technology will make it attractive to a number of big airlines.

Airbus plans to build a plane that will be 15 percent cheaper to operate than the competing 747 because of lower fuel burn and maintenance costs. Airbus says that even British Airways, an airline that has delivered Airbus some painful snubs in the past as it opted repeatedly for Boeing, is among the companies expressing interest.

Airlines want an aircraft "drawn on a blank sheet of paper," Mr. Leahy said. "We have been talking to the world's airlines and, as you would expect, they want an aircraft of that category with new technology standards . . . they want Airbus fly-by-wire technology. To be blunt, they don't want 25-year-old technology." He adds: "I haven't heard an airline yet say that a delay of two to three years would be a problem."

Airbus set up a Large Aircraft Division in April and promised a decision on the new plane, currently dubbed the A-3XX, by the coming fall. Mr. Leahy said he was "highly confident" that the plane will be built, enabling Airbus to compete with Boeing in all sectors of the passenger aircraft market. Currently, Boeing has the advantage of being able to negotiate to buy back older models from airlines that purchase its new planes.

Airbus predicts that the market for planes carrying 500 or more passengers will require the construction of 1,380 airliners as air travel triples in the next 20 years. It says this market will be worth some $300 billion by the year 2014. It anticipates four main regional markets: for routes within Asia, routes between Asia and Europe, trans-Atlantic and trans-Pacific routes.

Mr. Leahy said the European consortium does not imagine for one moment that it could go unchallenged. "We assume that Boeing will be in the market with a stretched version" of the 747. Airbus plans an airliner that will take 550 passengers in a three-class configuration, or 800 in an all-economy version. A later, stretched version could hold 650 passengers in three classes.

Originally, Airbus and Boeing held talks on building a super-jumbo together but these broke up after a year. "It wasn't the most logical of approaches to have two fierce competitors" discussing cooperation, Mr. Leahy said. "In fact, the world's airlines said they didn't like this. They prefer the competition."

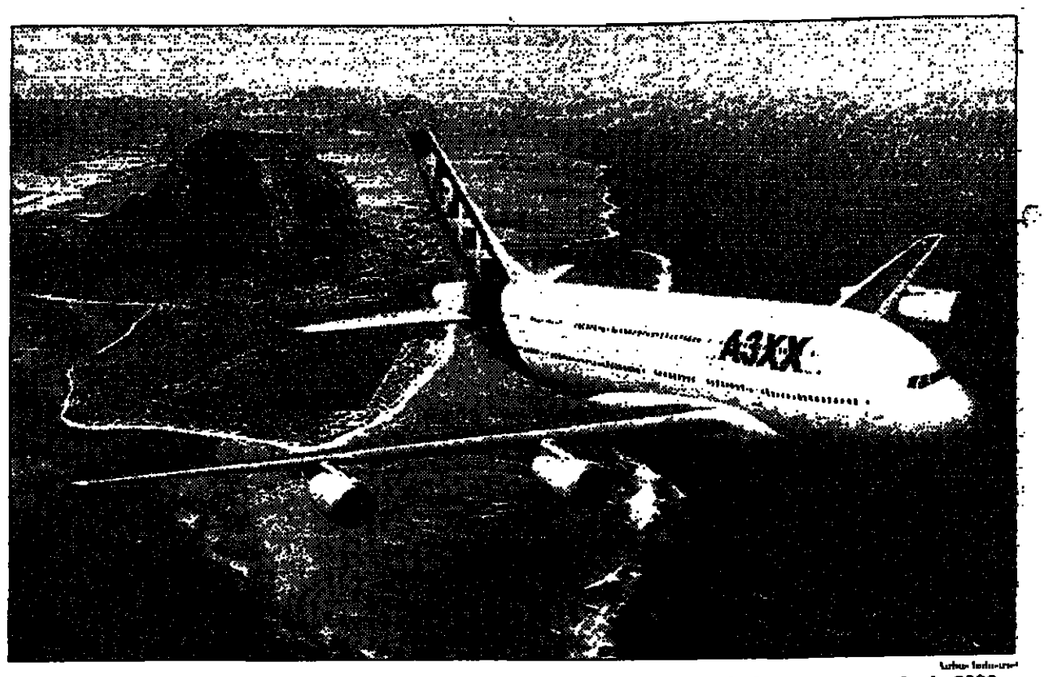
While Airbus also plans to change from being a four-nation consortium to a public corporation by the end of the century, Mr. Leahy said it was possible that another partner might join Airbus solely for the development of the A-3XX, but he would not say who the candidates were. Outside the United States, they could include an Asian or even a Russian manufacturer.

At the smaller end of the market, China chose a European consortium as its partner to build a 100-seat plane during the visit of Prime Minister Li Peng of China to France in April, a controversial occasion when Paris was accused of putting trade before human rights.

"Li Peng made it clear that he wants Airbus Industrie to be the partner," Mr. Leahy said. He said the product would have "commonality" with the Airbus range, probably using the same cockpit as the A-320 series, making training of pilots simpler and enabling them to fly several different models in one day.

As for sales of the A-3XX and the rest of the Airbus range, Mr. Leahy said the North American market remained the world's biggest but he added that it was the slowest-moving. Asia is the fastest-growing while Europe is between the two. Airbus believes that 53 percent of the future market for planes carrying 500 or more passengers will be in the Far East. So recent inroads into the Chinese market — Li Peng also signed a contract for 33 Airbus planes during his visit to France — make it optimistic that it can be a big player there.

Before the A-3XX is built and flying, Airbus Industrie should have become a public corporation. It is currently a partnership of Aerospatiale of France, British Aerospace PLC, Construcciones Aeronauticas SA of Spain and Germany's Daimler-Benz Aerospace (DASA). Of these companies, British Aerospace and DASA are public companies. Aerospatiale, currently being merged with France's Dassault, is on the point of being privatized and the Spanish company is state-owned.



Airbus Industrie's A-3XX is expected to be the world's largest aircraft when it is due to enter service in 2003.

The move to become a public corporation in 1999 should allow the addition of new investors although, as it stands, "the Airbus system is already profitable," Mr. Leahy said. Becoming a public corporation would ease its search for financing.

As for the A-3XX, Mr. Leahy expected a third of the total development costs of some $8 billion would be met from outside investors, probably other aerospace firms, a third by Airbus itself and the final third from government loans.

The current plans for the A-3XX provide for two twin-aisle decks of equal size, unlike the 747's lower twin-aisle deck and upper single-aisle configuration. This, it says, will ease boarding and disembarkation and give the plane a 90-minute turnaround time.

Airbus says its studies have concentrated on a plane that can use existing airports. To achieve this, it plans to limit the new aircraft's wingspan to 79 meters (260 feet) and a fuselage length of just over 70 meters.

Describing the new plane's cabin as "the widest and most spacious in the sky," it says it will allow for wider seats and "unprecedented" space for carry-on baggage and, for those airlines that want them, even the space for bedrooms, conference rooms, a medical center or "a mini-gym."

JULIAN NUNDY is a journalist based in Paris.

Europe's New Airlines

Airline startups and routes served.

Air Belfast Shannon to Gatwick. **Aircraft:** 3 BAe 111. **Base:** Stansted.

Airjet Pans/CDG to London/City. Planned: Paris to Nice. **Aircraft:** 2 BAe 146. **Base:** Paris/CDG.

Air One Rome to Milan, Bari and Reggio; Milan to Bari and Reggio. **Aircraft:** 4 B737-300; 1 B737-200. **Base:** Rome/Fiumichino.

Alpi Eagles Venice to Rome and Cagliari; Verona to Cagliari, Rome and Lampedusa; Rome to Lampedusa and Cagliari. Planned: Verona to Catania, Sicily; international routes. **Aircraft:** 4 Fokker F100s. **Base:** Thiene.

Azzura Air Planned: Rome, Milan, Zurich, Koln, London and Paris. **Aircraft:** 2 Avro RJ85; 1 Avro RJ70. **Base:** Bergamo.

Debonnair London/Luton to Munich, Dusseldorf Express, Madrid, Barcelona & Newcastle. Planned: Copenhagen. **Aircraft:** 5 BAe 146-200. **Base:** London/Luton.

Easyjet London/Luton to Glasgow, Aberdeen, Edinburgh, Nice, Amsterdam & Barcelona. Planned: Madrid, Munich, Berlin, Copenhagen, Oslo & Stockholm. **Aircraft:** 2 B737-200; 1 B737-300. **Base:** London/Luton.

Edelweiss Zurich to London/Luton. **Aircraft:** 2 MD-83. **Base:** Zurich.

Noman Rome to Milan and Olbia; Milan to Olbia. **Aircraft:** 2 DC-9-15; 2 MD-82. **Base:** Rome/Ciampino.

Ryanair UK Dublin-Prestwick-Stansted. Planned: other European destinations. **Aircraft:** 1 B737-200. **Base:** Dublin.

Skybus Athens to Thessaloniki & Rome. **Aircraft:** 1 B727-100; 1 B757. **Base:** Athens.

Virgin Express Brussels to Rome, Vienna, Barcelona, Madrid, Milan and Nice. Planned: Brussels to Geneva and Copenhagen; Rome-Madrid. **Aircraft:** 12 B737-300. **Base:** Brussels.

World Airlines London/City to Amsterdam. Planned: Copenhagen. **Aircraft:** 2 BAe 146-200. **Base:** London/City.

Source: Airline Business

In Europe, Feisty Start-up Airlines Multiply

PARIS — A flock of start-up companies has taken off in Europe in the past year to take advantage of full deregulation of the airline industry in the 15-member European Union next April.

They and some of the existing small carriers are opening up new regional routes that have been ignored by the major national carriers. They are also directly challenging the majors on some of the main routes.

With the third and final stage of deregulation, any company in the European Union with at least 51 percent ownership and control will be free to operate anywhere in the EU.

For example, Brussels-based Virgin Express, which is overwhelmingly owned by Britain's Virgin Atlantic Airlines, plans to introduce Madrid-Rome and Geneva-Copenhagen flights.

By concentrating on regional and secondary airports that assume some of the financial risk and offer lower user fees, the start-up airlines have lower costs than the major carriers. By selling directly and in some cases introducing ticketless travel, they have eliminated expenses such as commissions to travel agents. By bringing in lower fares, they are forcing the majors to follow suit on many routes at a time when they are struggling to manage costs.

EasyJet, which charges only £29 ($43) one-way between Luton airport near London and Scotland, cuts advertising costs by plastering its telephone number in big orange letters on its aircraft.

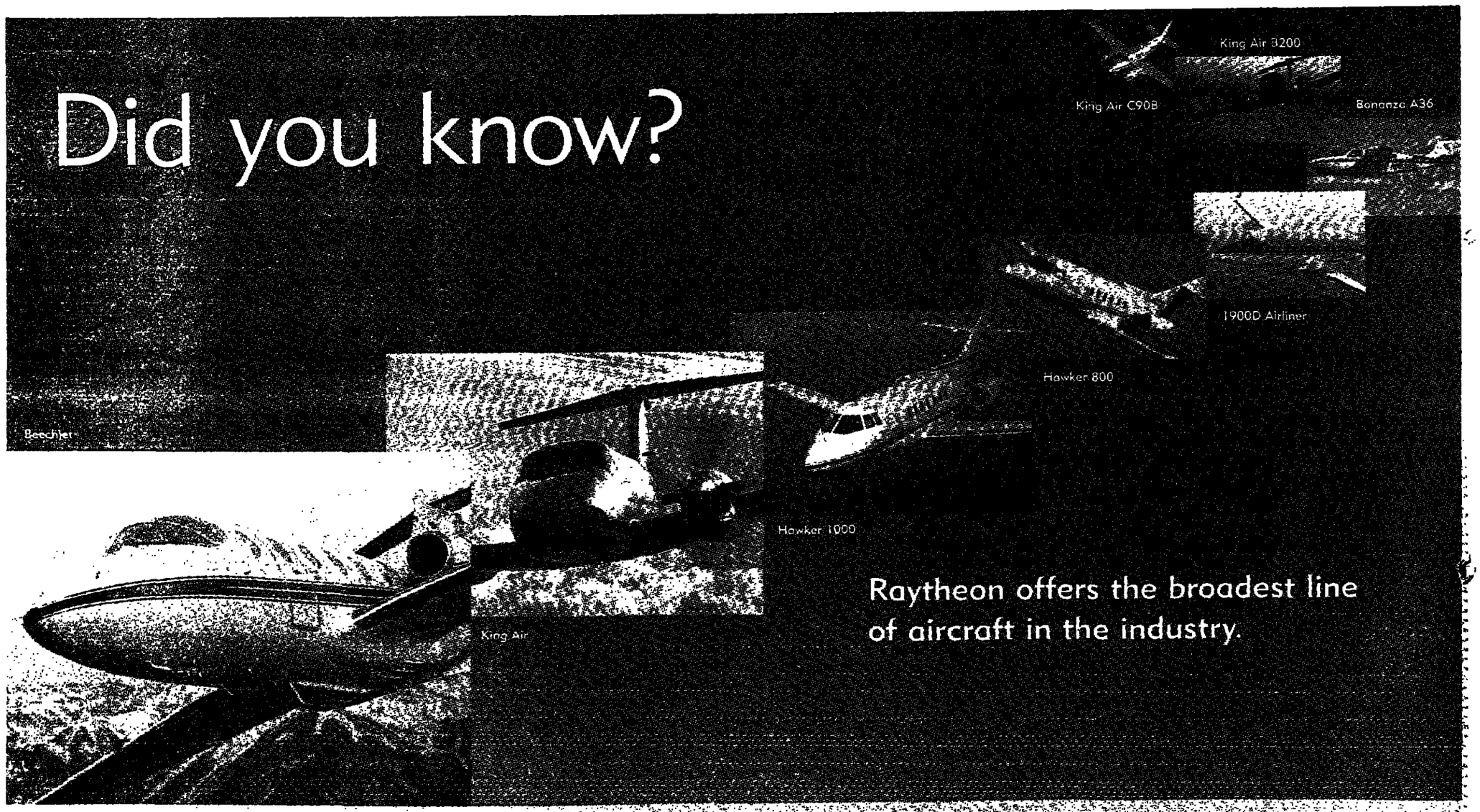
It is based on the ValuJet formula in the United States, but operates new aircraft and states that it cuts no corners on safety.

Olympic Airways had to reduce prices by 40 percent on its Athens-Thessalonika route after a private Greek carrier called Skybus introduced a competing service. Skybus still manages to provide cheaper service.

The state-owned Air France Group, which is in the midst of a painful reorganization after losing $580 million last year, faces a domestic challenge from a new code-sharing consortium formed by Air Liberte and AOM. Airline analysts said they expect the two companies to merge in the near future.

Another French carrier, TAT, will operate as a British Airways unit when the final deregulation hurdle falls.

Barry James



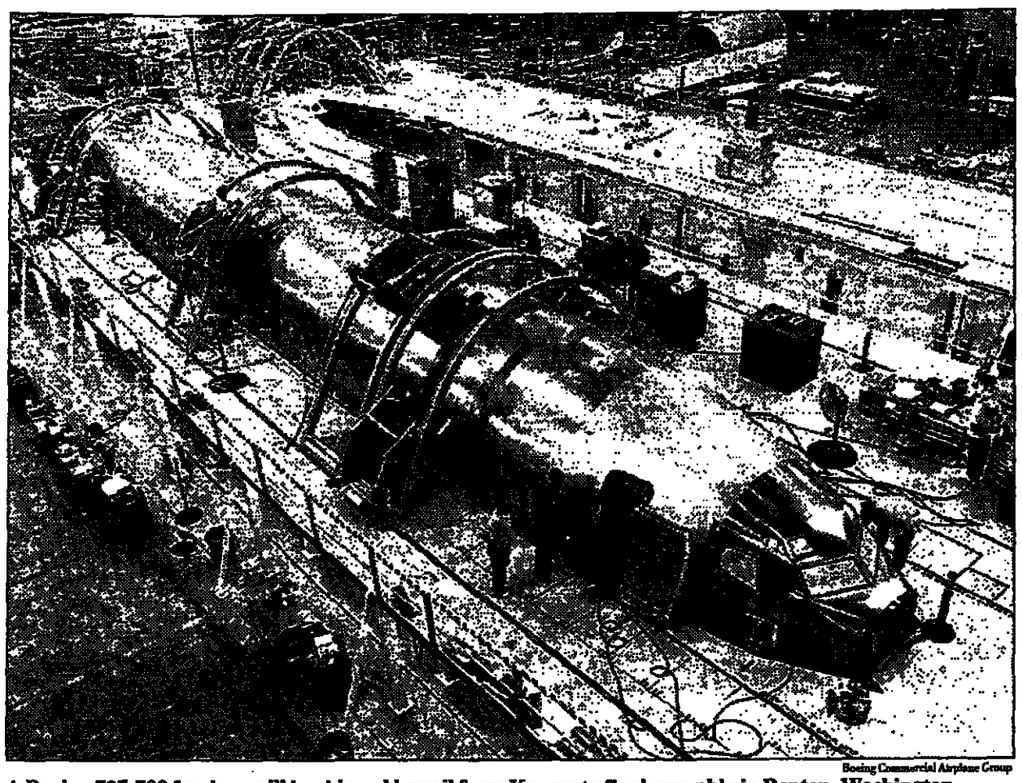
هكذا من الأصل

صورة من الأصل

AVIATION / A SPECIAL REPORT

Bigger Means Better: The Jumbo Race Heats Up

By Max Kingsley-Jones



Boeing Commercial Airplane Group

A Boeing 737-700 fuselage will be shipped by rail from Kansas to final assembly in Renton, Washington.

LONDON — Boeing has one, Airbus Industrie wants one, and McDonnell Douglas has made a number of proposals but has yet to build one. The jumbo jet, or as the industry refers to it — Very Large Capacity Airliner (VLCT) — is expected to be the most important battleground in the commercial aviation business over the next few years.

Boeing is set to land the first blow when it announces the go-ahead of its new 747 growth derivatives, the 747-500 and 747-600, which will be able to carry 450 to 550 people over distances of 8,000 miles (12,800 kilometers). This announcement could be made during the Farnborough Air Show in England this week.

The Seattle-based manufacturer, of course, had a head start in this market. It "bet the company" 30 years ago when it launched development of its 400-seat airliner, the 747 model. At that time, the largest airliners in service carried about 250 people, and the industry was still undecided whether size or speed would lead the way in the 1970s. It was the capacity factor that caught on, and Boeing has been the only company to produce a 400-seat aircraft.

Boeing has sold 1,200 747s and delivered 1,100 since the first aircraft was handed over to Pan Am in 1969. Boeing's rivals, McDonnell Douglas and Lockheed, meanwhile, slogged it out in the smaller wide-bodied trijet market with the DC-10 and L-1011 TriStar. Combined sales in this category were less than 650 units (excluding military sales), and production of these aircraft ceased in the mid-1980s.

So Boeing picked the winner and is poised to re-establish itself for the next generation of jumbos with its new 747-500 and 747-600 models.

Europe's Airbus Industrie is keen to secure its own slot in this market. The consortium has grown from a single-product company in the early 1970s with just its 250-seat A-300 wide-bodied twin jet to become the second-largest force in the industry, ahead of McDonnell Douglas, with 30 percent of the market.

The Airbus product line encompasses 10 models seating between 100 and 350 passengers, but the consortium has always wanted to develop an airliner to challenge Boeing. It has been studying such an aircraft for several years under the project name A-3XX.

Throughout its evolution, Airbus has worked with a policy of "family building," creating a string of product lines offering standardization for customers, with the intention of becoming a "one-stop shop" for the industry. Boeing pioneered that idea and has the broadest "family" of products in the business, enabling it to take about 60 percent of the airliner market annually.

Much to Airbus's frustration, if a potential customer's requirements for a range of aircraft sizes includes a 400-seater, then at some point it will have to pay a visit to Seattle. The A-3XX will provide Airbus with that final product, completing its family, but will cost it an estimate $8 billion to develop.

But Boeing's lead may allow it to wrap up the market by securing enough customers to destroy any chance of Airbus achieving a realistic sales tally.

Several years ago, McDonnell Douglas proposed its own double-deck 500-seat jumbo and designed the MD-12, but it failed to secure a partner for the program and the design was put on ice. The company, whose commercial business is centered in Long Beach, California, now plans to tackle Airbus and Boeing at a slightly lower level, with a major derivative of its MD-11 trijet that is dubbed the MD-XX.

This new aircraft, which is the latest in a series of proposals to build on the MD-11 model, will combine a stretched MD-11 airframe with a new wing and more powerful engines to create a long-range 370-seater. The MD-XX, which could be in service by 2000, will compete with Boeing's larger, longer-range 777 models and with the proposed Airbus 370-seat A-340-600.

Although the industry seems preoccupied with the development of large carriers, the battle at the smaller end of the market has been intense for many years. Boeing has produced, and continuously updated, the ubiquitous 737 twin jet for the last 30 years, and it has sold 3,300 aircraft. The new generation 737 family, which includes three models seating between 100 and 180 passengers, was launched in 1993.

A major development of the existing model, the new 737 family has a larger wing, new engines and advanced technology. The first of the new models, the 737 Series 700, is being completed at a plant in Renton, Washington, and will make its first flight next February.

McDonnell Douglas entered the short-haul jet market before Boeing, in 1965, with the DC-9 twin jet. This was developed into a large family of models, from which the 150-seat MD-80 series evolved. More than 2,100 DC-9/MD-80 units have been sold, and the family has spawned two further derivatives, the MD-90 and the MD-95.

While the MD-90 is effectively a new generation replacement for the MD-80, the MD-95 represents McDonnell Douglas's effort to re-establish itself in the 100-seat market. Delta Air Lines launched the MD-90 into service in March 1995, and 130 have been sold so far. Sales of the MD-95, which will enter service in 1999, have been slow.

McDonnell Douglas, however, is believed to be set to announce a significant number of new orders at the Farnborough Air Show.

The two U.S. manufacturers have clear objectives as the next century approaches. Boeing must ensure that it maintains its market position as the leading provider to the airline industry, while McDonnell Douglas will be trying to claw back market share. Airbus Industrie, meanwhile, will be doing its utmost to reach its own ultimate goal of taking a 50 percent share by early in the next decade.

MAX KINGSLEY-JONES is commercial aviation editor of Flight International.

Asians Join Scramble To Build Regional Jet

By Michael Richardson

SINGAPORE — At least three rival groups based in Asia aim to begin assembling regional jetliners, but analysts warn that the market is already crowded and growth potential limited.

They say that the competition for sales in the category of jets that seat between 90 and 140 passengers may become even keener if Japan's plane makers enter the fray, either in a joint venture with Canada's Bombardier Inc. or with Asian aerospace companies that are not part of the three groups centered on China, Indonesia and South Korea.

Japan's Ministry of International Trade and Industry plans to use government aid funds to sponsor a study with interested Asian countries starting in 1997 on an aircraft that would be designed specifically to meet regional requirements.

"We will aim at developing a low-cost, small aircraft by Asia for Asia," said Yasunori Noguchi, technical chief of the ministry's aircraft and ordnance division.

In July, the state-owned Aviation Industries of China, the country's main civil aircraft manufacturer, Europe's Aero International Asia consortium and Singapore Technologies Pte. announced that they had agreed in principle to proceed with plans to design and produce a family of regional jets in the 100-seat range called the Asian Express.

Taiwan Aerospace Corp. is also expected to take an equity stake of about 5 percent in the venture, leaving Singapore Technologies with 10 percent, China's AVIC with around 45 percent and Europe's AIA with some 40 percent.

AIA is a joint venture between Aerospatiale of France, British Aerospace PLC and Italy's Alenia, a unit of Finmeccanica SpA.

A South Korean consortium led by the Samsung group abandoned the project in June after AVIC offered South Korea a stake of only 12.5 percent and insisted that final assembly of all the planes be in China, ruling out a second assembly line in South Korea.

The South Korean consortium has since said it intends to pursue its own commercial airliner project.

Meanwhile, Indonesia's state-owned aircraft manufacturer, PT Industri Pesawat Terbang Nusantara, appears to have established a significant head start in the race to develop a regional jet airliner.

The company, known by its initials as IPTN, has brought forward by two years to 2004 the date for first deliveries of its planned N-2130 regional jet, which will carry about 130 passengers.

Company executives said that the move, and the recent signing of a technical cooperation agreement with Dassault Aviation of France to speed up design of the Indonesian plane, were made in anticipation that the Asian Express would go ahead.

The Asian Express is also expected to enter service early next century. Development costs for the N-2130 and the Asian Express project are each expected to amount to at least $2 billion.

Unhindered by having equity-holding foreign partners, IPTN is pressing ahead with expansion of its already well-established program of aircraft production and sales, although analysts said that the venture could not have proceeded this far without heavy public subsidies and assured sales of IPTN's output to Indonesian airlines and the military.

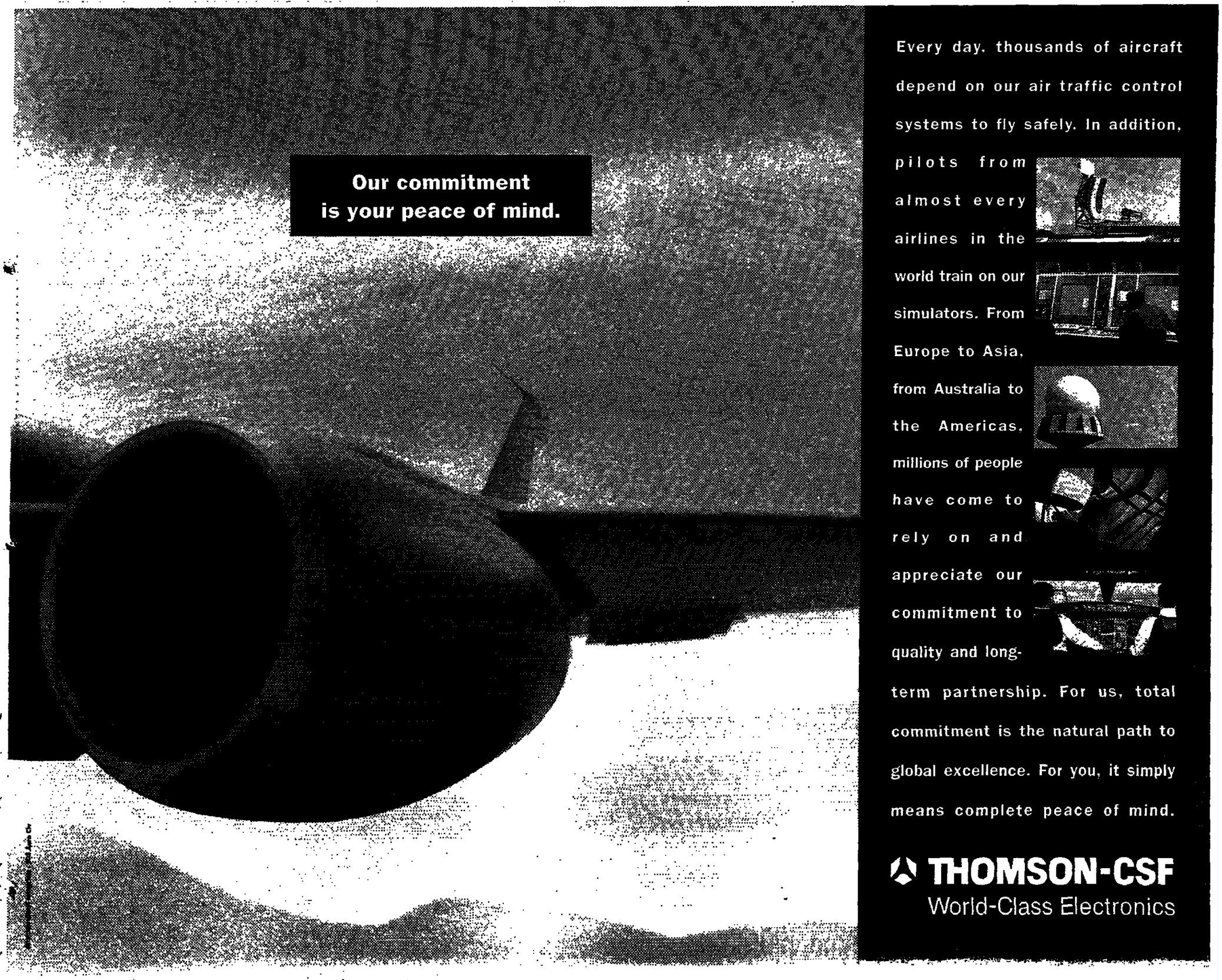
Since it started assembling helicopters and fixed-wing planes at its factory in Bandung, Indonesia, in 1986, IPTN has produced nearly 400 aircraft under license from U.S. and European manufacturers and in cooperation with Construcciones Aeronauticas SA of Spain.

Singapore Technologies sees potential worldwide demand for between 2,000 and 3,000 jetliners in the 100-seat category over the next 15 to 20 years. The Asian Express consortium hopes to capture about a third of that market.

The consortium aims to become the second-largest builder of this family of jets, which can range in size from 80 to 140 seats, after Boeing.

China's AVIC and Singapore Technologies also hope to persuade Europe's Airbus Industrie to become directly involved in the Asian Express venture, allowing the consortium to take over production of the European group's smaller jetliners in the family of Airbus A-319, A-320 and A-321 models.

MICHAEL RICHARDSON is Asia editor of the International Herald Tribune.



Mega-Alliances: Rocky but Profitable

By Barry James

PARIS — As the global airline industry moved into the black last year for the first time since 1989, a key to the expansion of many carriers was an alliance or code-sharing agreement with another company. These included a handful of so-called mega-alliances, linking whole groups of international and regional airline partners.

Airline Business magazine this month counted no fewer than 389 airline alliances in mid-1996, most of them code-sharing deals. This refers to agreements in which two or more carriers join together to establish common flights, link ticket sales, coordinate schedules, merge frequent flyer programs and even share revenues.

The biggest of the mega-alliances — in terms of number of aircraft, staff and miles flown — still is in the planning stage, and needs approval from the American and British governments. It will link American Airlines, British Airways, USAir, Canadian Airlines International and Qantas into a global network with 1,700 aircraft and more than a quarter of a million employees.

It is scheduled to begin operations next April, but faces several hurdles before then. As the price of its approval, the U.S. Department of Transport wants the British government to open London's Heathrow airport to flights by more American carriers. At present, only American Airlines and United Airlines have Heathrow landing rights.

But the talks are not going well, and a negotiating session scheduled in Washington in the last week of August had to be called off because of what a U.S. spokesman called "unacceptable" British proposals.

Britain is playing tough over giving away rights at Heathrow, the world's busiest airport. It demands antitrust immunity for the deal with American Airlines to be consummated. It wants the United States to lift the 25 percent equity limit on foreign ownership of domestic airlines. And it seeks greater access to U.S. markets in exchange for granting U.S. carriers "fifth freedom" rights that will allow them to fly on to Europe from stopovers in Britain.

The prospect of American carriers using Britain as a spearhead into other countries is a cause of concern for the European Commission, the executive body of the European Union. It says it will investigate whether the proposed alliance is in breach of EU anti-trust regulations because of potential abuse of a dominant market position.

Richard Branson, the chief of Virgin Atlantic Airways, a bitter rival of British Airways, called the deal "a monopoly from hell," likened it to a merger between Coca-Cola and PepsiCo and vowed he would do his utmost to stop the alliance from going ahead.

"Given the history of these two airlines and their anti-competitive behavior, it would be hard to believe any rational government, in the interests of consumers, would allow this to go forward," Mr. Branson said.

American Airlines and British Airways between them control 60 percent of the traffic between the United States and Britain, and 70 percent of the flights between New York and London. They also have agreed to coordinate their passenger traffic between Europe and the United States and to cooperate globally on cargo traffic. The deal will link an estimated 36,000 pairs of cities, including routes such as London to Dallas on which the partners have a monopoly.

Opponents such as Mr. Branson predict that the agreement will push fares higher, because travelers on many routes would have little choice about how to fly. A senior executive of Delta Air Lines called the deal "poison for competition" because it would "effectively preclude any real competition on most U.S.-U.K. services."

Emerging Alliances	SALES	FLEET	EMPLOYEES	PASSENGERS
United Airlines, Lufthansa, South African Airways, Atlantic Coast, Lauda Air, SAS, Air Wisconsin, Luxair, British Midland, Air Canada, Varig, Thai Airways Int'l	$46.3 bil.	1,522	242,984	188.7 million
American Airlines, USAir, Canadian Airlines Int'l, Qantas, British Airways	$44.1 bil.	1,706	251,979	195.3 million
Delta Air Lines, Swissair, Comair, Sabena, Atlantic Southeast Airlines, Austrian Airlines, Skywest, Singapore Airlines	$27.2 bil.	1,004	122,630	126.5 million
Northwest Airlines, KLM, Mesaba Aviation, Martinair Holland, Express Airlines I, Air UK, Kenya Airways	$16.7 bil.	654	79,778	70.5 million

Source: Airline Business

In concluding alliances and code-sharing agreements, airlines look for synergies that can increase the amount of traffic on a route. Carriers form alliances to circumvent the country-to-country agreements governing the industry — agreements that stipulate which airlines can serve specific destinations, the frequency of service and the fares that can be charged.

Typically, an airliner excluded from a route will expand its market by teaming up with a partner that has access to the route. Carriers with similar strategic objectives are thus able to develop global networks that they would not be able to sustain with their own resources.

Ideally, code-sharing is supposed to give passengers a seamless journey. But judging from the complaints of passengers, it doesn't always happen that way. They feel misled when they find themselves boarding a different aircraft, perhaps a turboprop, than that to which they thought their tickets entitled them.

Robert Crandall, chairman of American Airlines, once called sharing codes "the biggest con trick in history." Of course, that was before American Airlines agreed to do just that with British Airways.

Not all airlines marriages are made in heaven. USAir is suing its partner and part owner, British Airways, over the proposed tie-up with American Airlines. USAir claims it had an exclusive arrangement with the British carrier.

British Airways turned to American Airlines after being frustrated in its attempts to widen its share of the U.S. market by investing in USAir, of which it holds 22 percent of the voting stock and 24.6 percent of the equity.

U.S. law forbids foreign ownership of U.S. airlines, which have defense obligations as members of the Civil Reserve Air Fleet. Foreign carriers are limited to no more than 25 percent of the equity of an American airline.

The European Commission, which is scheduled to begin talks later this year aimed at a multilateral aviation agreement with the United States, wants Washington to raise the ceiling for foreign ownership and control of a U.S. airline to 49 percent, the same as in the European Union. Legislation that would allow this is pending in Congress.

The first of the U.S.-European alliances, between KLM of the Netherlands and Northwest Airlines, prompted British Airways to hope that it could enter the U.S. domestic market by taking over USAir, but it abandoned this plan in 1992. USAir has now filed a complaint against British Airways in a New York court, invoking restraint of trade charges under anti-trust laws and seeking monetary damages.

The KLM-Northwest deal also has turned sour. KLM has taken the Northwest management to court to protect governance and option rights that it negotiated during the restructuring of its U.S. partner. Nonetheless, airline analysts say the partnership works well at the operational level.

As most passengers can testify, aircraft are more crowded than they used to be. By using yield management techniques to fill every seat and every square meter of cargo space, airlines have managed to boost their profits, without substantially increasing their route networks or adding more aircraft. The International Air Transport Association said the 100 largest airlines made a collective net profit of $5.7 billion last year, after years of monumental losses.

This is still considered an inadequate level of profit, and even the most successful airlines, such as British Airways, which was the market leader with a net profit of $740 million, are continuing to hold down costs.

Washington and Brussels Move, Very Gingerly, Toward a Multilateral Open Skies Agreement

Continued from Page 13

will take countries that sign or implement bilateral agreements to the European Court.

While the commission favors deregulation, it says the agreements proposed by Washington are "unfair and grossly unbalanced against Europe."

It maintains that Washington's proposals would give U.S. carriers unrestricted rights to operate to, from and between European countries without giving EU airlines equivalent access to the internal U.S. market, beyond a limited number of gateways. The commission says also that the deals would circumvent EU regulations on fair trading and consumer protection.

The British are quick to resent any attempt to expand the authority of the European Commission and have sought to prevent giving Mr. Kinnock wider powers. But the commission and the vast majority of members agree that it will be difficult to operate a common deregulated aviation market if each country reaches separate agreements allowing American carriers to operate in that market.

The third and final stage of airline deregulation in the European Union is scheduled to come into operation next April. It will automatically lift all existing restrictions, allowing any carrier owned by an EU government or company to set up for business anywhere in the union — which means, for example, that carriers wholly owned by British Airways will operate as domestic airlines in France and Germany.

The EU has carried out deregulation in stages to avoid the upheavals that followed the abrupt deregulation of the U.S. airline industry. Similarly, members will want any open skies agreement with America to be introduced gradually rather than at one fell swoop.

Washington reportedly is not happy with that position, but cannot logically oppose it, observers say, since it granted Canada just such a phased open skies deal last year.

Many countries are wary of opening their markets fully to U.S. airlines, which are more productive and cheaper to run — by up to 50 percent when compared with European carriers — and which have the experience of cut-throat domestic competition following deregulation in 1978.

There are also many within the U.S. airline industry who are wary of open skies deals. They argue that such agreements give foreign carriers a slice of the world's richest aviation market — 40 percent of an estimated $1 trillion global total — without corresponding advantages for American airlines.

Critics say the U.S. government is too willing to trade hard rights — landing slots at major interior U.S. airports — for soft rights such as liberalized pricing policies.

David R. Hinson, administrator of the Federal Aviation Administration, said earlier this year that if the U.S. aviation sector were a separate country, it would rank 11th in the world, with a gross domestic product slightly smaller than that of Brazil and a little larger than that of India. There is clearly no other country that on its own can offer corresponding opportunities.

On the other hand, international traffic is growing faster than traffic within the United States and generally earns more per mile flown than in America. Between 1983 and 1993, the revenue of U.S. carriers in the Asia-Pacific region grew 286 percent and across the Atlantic by 116 percent. Over the same period, the international component of U.S. airlines' route networks, measured in revenue passenger miles, grew to 27 percent from 16 percent. And on routes where U.S. carriers compete with foreign rivals, the American airlines typically have managed to capture more than half the market.

The U.S. Department of Transportation is broadly in favor of multilateral open skies arrangements rather than the present system of bilateral agreements. The National Commission to Ensure a Strong Competitive Airline Industry has found that the bilateral system is "no longer sound or sufficiently growth-oriented in the global trade environment."

But the talks with Europe hold out the only prospect at the moment for a multilateral deal. Open skies is high on nobody's agenda in Asia, apart from Singapore, a typical entrepot that relies heavily on stopover traffic, and New Zealand, which is off the mainstream.

With the possible exception of the Association of South East Asian Nations, which has begun to consider the possibility of an open skies agreement among local carriers, the region has no body comparable to the European Union capable of conducting multilateral talks.

Both Japan and China say that to open markets multilaterally could harm the progress of regional airlines because of their different stages of development.

Japan argues that its existing 1952 bilateral agreement favors the United States both in the number of authorized carriers with full treaty rights, and in the scope of their operations. Talks between the United States and Japan broke down acrimoniously in August over Japan's attempts to restrict stopover rights for U.S. airlines.

When the 1952 treaty was signed, U.S. carriers could not fly all the way to mainland Asia and used Japan as a stopover point. Japan accuses U.S. carriers of abusing its stopover rights. It is playing on the rivalry between two groups of carriers — those that have rights, including United, Northwest and Federal Express; and those that do not, including American, Delta and Continental.

The United States also is engaged in tough talks with Britain. British Airways wants an open skies pact so that it can seek anti-trust immunity for its proposed alliance with American Airlines. On the other hand, it opposes U.S. demands for greater cooperation at London's Heathrow airport and on routes beyond Heathrow.

BARRY JAMES is a reporter for the International Herald Tribune.



Bogus parts. Airport security technology trade-offs. Automated cockpits: Who's in charge?

In each case, the world read about it first in *Aviation Week & Space Technology*.

We get the inside story first. We get it right. And that makes a difference.

That's why 450,000 aviation and aerospace professionals in more than 130 countries turn to *Aviation Week* first.

And spend an average of an hour and twenty minutes reading it. Every week.

WE MAKE THINGS HAPPEN.

هكذا من الأصل

AVIATION / A SPECIAL REPORT

A Multilateral Approach to Air Traffic Rights Gains Momentum

Singapore Airline Official Is Hopeful U.S. Will Extend Bilateral Pacts in Asia

Singapore is a leading advocate in Asia of a new regime of liberal air traffic rights in place of bilateral rights negotiated strictly on the basis of reciprocal benefits. Cheong Choong Kong, deputy chairman and chief executive officer of Singapore Airlines, discussed prospects for change with Michael Richardson of the International Herald Tribune.

Q. Do you see any sign that the United States will extend its open skies policy to cover the Asia-Pacific region?

A. I am hopeful. The Americans have been very successful with their strategy in Europe of getting liberal bilaterals one at a time with individual countries.

They started with one or two small countries. Then it mushroomed as other countries realized they could not afford to be left out, until finally they got their big bilateral partner, Germany.

I believe the Americans will want to try the same strategy in Asia. They know very well that Singapore is always ready.

There may also be other Asian and Pacific countries that would also want to sign a very liberal bilateral agreement with the United States.

•

Q. Which other countries might be early candidates?

A. The obvious one would be New Zealand, but I can see Taiwan and Malaysia also being interested.

Q. Isn't part of the problem that some of the staunchest advocates of the existing system of tit-for-tat bilateral air traffic rights are here in Asia?

A. Some of them are. But when the other party is the United States, then a lot of those arguments vanish because no market is bigger than the United States.

So a really open skies deal with the United States would be a good one.

However, I am not so sure whether, even after the United States signed a number of liberal bilaterals with some of the Asian and Pacific countries, it would be sufficient inducement for Japan to hop in.

Q. Nonetheless, what would such an open skies deal with the United States mean?

A. That we could fly any number of frequencies to any number of cities in the United States through any intermediate point and maybe even beyond the United States, though that does not have much value to countries in East Asia.

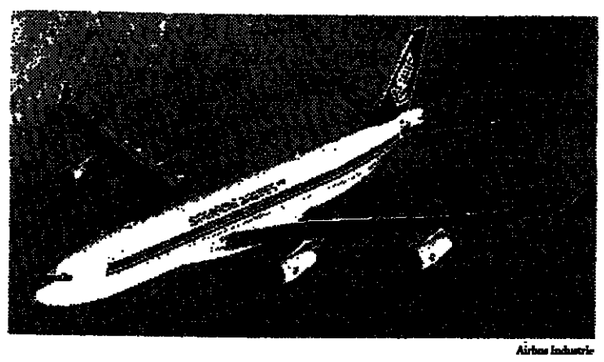
But certainly the intermediate fifth freedom rights would be useful, provided you could get them from the intermediate countries.

•

Q. Is that what the United States is offering the 11 European countries that have negotiated open skies agreements with it?

A. Yes, but not the cabotage right to pick up passengers in the United States and take them to another point within the United States. Short of that, I believe the skies are open.

Q. What would be the benefits for the United States in an open skies deal with the Asia-Pacific region?



Airbus Industrie

A. Better access to the world's fastest-growing air travel market. The United States knows that there is no point in having a liberal bilateral with just one country because the Pacific is still a very vast expanse.

Fifth freedom rights to pick up and land passengers and cargo within Asia are very important. So you need a number of those bilaterals to fly throughout the region.

•

Q. Isn't the tactic of U.S. carriers to continue to delay open skies agreements with Asia, while trying to obtain fifth freedom intra-Asian traffic rights?

A. They would love to have their cake and eat it too. But they may not be able to get those fifth freedom rights quite so easily. However, such rights would come as part of a series of open skies agreements between the United States and Asia-Pacific countries.

Q. What do you see as the ultimate objective?

A. One day we hope to see all these liberal bilateral arrangements in various parts of the world coalesce into one big multilateral liberal agreement. That is our dream.

I don't think it's impossible.

•

Q. Before that day arrives, what would the consequences be for Asian airlines if, following the open skies agreements with Europe, U.S. carriers are allowed to fly beyond Europe to the Asia-Pacific region?

A. It would increase the competition for us. But this is part of opening up trade in aviation services.

Q. With so many airlines now chasing Asia-Pacific air traffic, isn't there a serious risk that the result will be excess capacity and plunging profits?

A. There is always that risk. But the growth rates in East Asia are phenomenal. When the cycle turns down, you might have some excess capacity. At the moment, there is excess cargo capacity in Asia.

But that is all the more reason why the market should be freed up. Because then supply will adjust to demand. When you don't have free market economics at play, you have all kinds of aberrations, including surplus capacity.

•

Q. Do you think that viewpoint is gaining increasing acceptance among both airlines and governments in Asia?

A. You are seeing more evidence of it.

For example, in Australia, Ansett airlines is being given rights to fly international routes, as well as Qantas.

In the Philippines, there have been quite a few new airlines and some have been given international rights.

The same is true in Indonesia and some other Asian countries.

IATA Chief Calls Bid for Open Skies A Divide-and-Rule Tactic in Europe

Pierre Jeanniot, director-general of the International Air Transport Association, representing most of the world's major airlines, discussed the state of the global aviation industry with Barry James of the International Herald Tribune.

Q. How do you assess the impact of the electronic revolution and satellite technology?

A. There's no doubt that it is accelerating the transformation of the industry. Airlines have been pioneers in the use of electronics right from the start.

Today, who knows where the smart chip and electronic ticketing will take us. It certainly is going to change substantially the way people buy tickets and board airplanes.

The question is how to combine this convenience and still provide the kind of security required, because at the same time we need to provide utmost reassurance against terrorism. Global satellite navigation provides the least expensive and most efficient way of adding capacity now being worked on.

Q. We hear a lot about open skies agreements. Will these effectively lead to greater international liberalization?

A. Open skies is the term used by the Americans to designate a certain approach in bilateral negotiations. It is a long way from full open access to markets.

•

Q. In other words, what is wanted is a multilateral approach, particularly in Europe?

A. Well, if the European market is integrated, it should be treated like the North American market. I think we have to blur distinction between these blocs, and within these blocs we have to blur the distinction between fifth freedom rights and cabotage.

Q. Aren't they the same thing? In other words, what is the difference between an American airliner picking up a passenger in London and flying him to Frankfurt, or a European airline taking a passenger from New York to Chicago?

A. They are the same thing if you assume that the markets are integrated. And in Europe they are becoming integrated. If there is only one European market, where rules are the same from one end to the other, then it has to be equated with the internal U.S. market.

Q. Which is why the European Commission stresses the importance of a common negotiating position vis-à-vis those countries that might be tempted to sign a bilateral agreement with the United States?

A. Yes. I think one of the problems of Europe today is that by being divided, it can perhaps be more easily conquered.

Q. Are the numerous alliances between airlines benefiting customers, or are they just a way for carriers to circumvent the bilateral system of airline agreements?

A. The idea of an alliance or code-sharing agreement is to provide as seamless a product to the customer as possible, rather than leave him with the impression he is traveling on two separate airlines.

'If there is only one European market, where rules are the same from one end to the other, then it has to be equated with the internal U.S. market.'

The proof of the pudding is in consumer acceptance. An alliance or code-share arrangement that doesn't put the customer up front and is not creating a new and better product for the consumer is not going to work.

Those airlines that are really working at alliances and making them truly consumer-oriented reap the rewards. But a lot of airlines are only paying lip service to alliances, and unfortunately they are not making it work the way it should.

•

Q. With approaching full deregulation in Europe, several new carriers have come into the market. Do you expect them to grow and become members of your association, or are they going to be swallowed up?

A. The track record in North America has shown that, unfortunately, the vast majority of the start-ups there have not survived. We've seen a number of airlines quite successful in niches, but then expanding and taking on more than they can chew.

I have no reason to believe that the European scene is going to be any different. A lot of start-ups will not remain independent or will not survive, but hopefully a few of them will survive to stimulate the whole market.

Q. Do you envisage continuing healthy growth in the Asia-Pacific market?

A. Yes, growth is very active. There has been an explosion of airlines in China, which fortunately has been moderated a bit so that quality is not overly suffering. Almost every Asian country is encouraging the growth of a second or third airline. India has liberalized internally and will probably open up internationally as well.

Q. The international aviation system is already bursting at the seams in some regions. How is it going to cope with the kind of dramatic growth that your association predicts? By introducing bigger aircraft?

A. It's a continuous struggle to push the capacity of the infrastructure just slightly ahead of the demand that the airlines are trying to accommodate. There will be a few bigger airplanes, no doubt about it. But there will also be a demand for increasing frequency, which will continue to be a challenge in many parts of the world.

•

Q. Airport and air traffic congestion is a big challenge in Europe. How can it be solved?

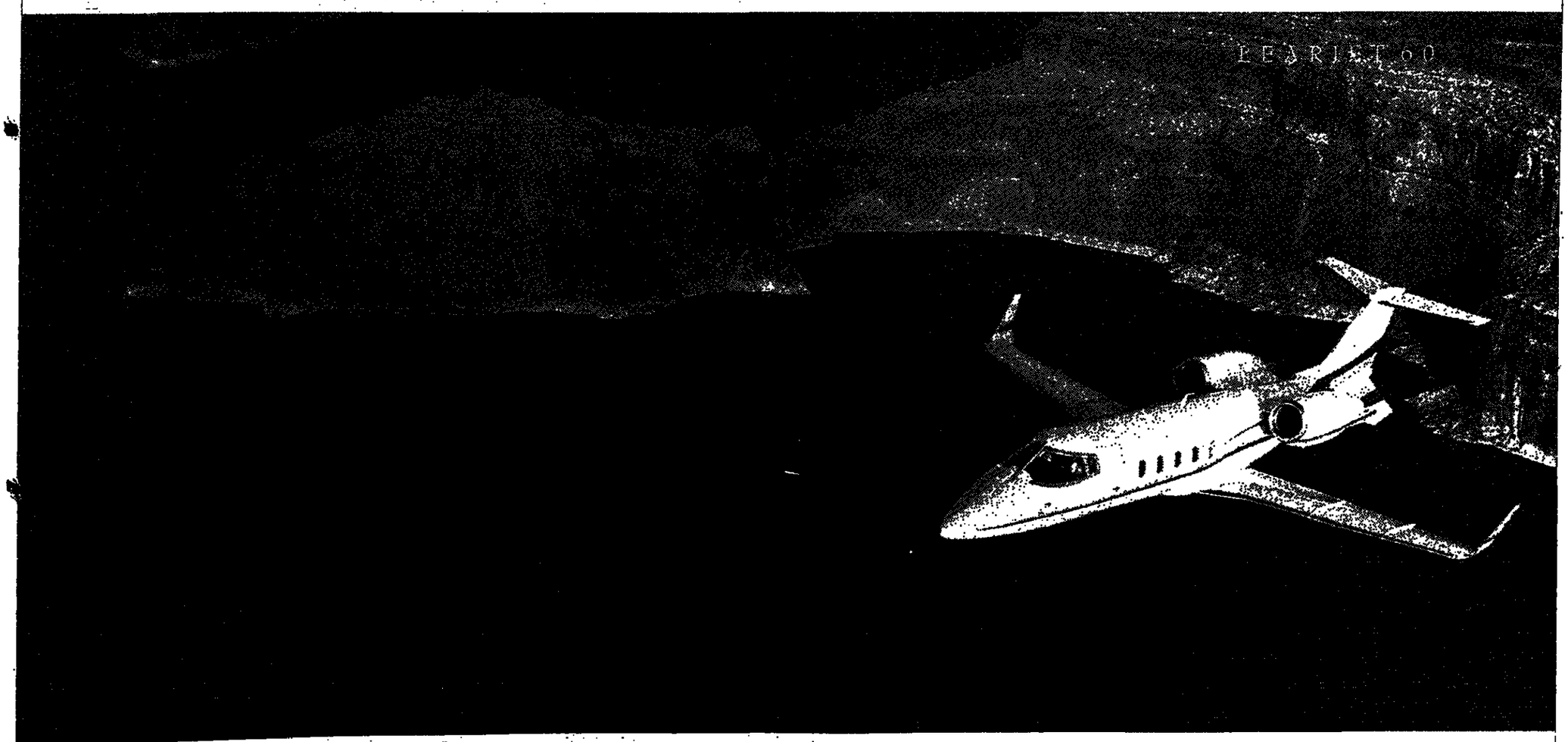
A. We are continuing our drive to encourage the various agencies to work together in a more concerted fashion. Europe is eliminating the boundaries on the ground, but keeping them in the air. Quite a lot of efficiency could be achieved in the planning of the air space in Europe if it were done according to regions and traffic flows rather than national boundaries — and that requires some kind of integrated mechanism.

In other parts of the world where the infrastructure is less developed, it is a question of accelerating the implementation of satellite navigation. We have just had authority from the Indian authorities for a route over the Bay of Bengal using satellites, which will increase capacity between Southeast Asia and Europe. That corridor needs to be expanded.

How To Save Money
On Your Long Distance Calls.

The Learjet 60 can fly you non-stop from London to Amman or from New York to Los Angeles.

The cabin offers long-flight seating comfort with standup room, versatile galley and a private aft lavatory.



Its 5,068-kilometer range means you don't have to settle for the next best thing to being there. And you can travel at Learjet speed while using less fuel than anything else in the midsize class. Plus, you'll enjoy the comfort of a standup cabin, room for eight and a private aft lavatory. We invite you to call Alain Ledoux for all the details at 41-22-819-1702, extension 522. Or for a Learjet video, simply fax 41-22-819-1956.

© 1996 Learjet Inc. Learjet is a registered trademark of Bombardier Inc.

Learjet.

Air Safety: The Obsession Is Paying Off

By Joseph Fitchett

PARIS — The fiery mid-air destruction of the TWA jumbo jet is a tragically spectacular reminder — like the loss of the Titanic in the age of ocean-liners — that air travel, no matter how safe statistically, confronts a never-ending challenge to cut both risks and perceptions of risk.

Terrorists are an obvious, cyclical threat, but there are subtler perils connected with the successful development of air travel, including traffic growth and the problems of aging carrier fleets or of bugs in new flight technology.

Overall, airplanes are following the trend set by automobiles toward ever fewer accidents and fatalities. Commercial flying is roughly three times safer today than in the 1960s. For international passengers, the odds against being on a commercial flight that ends with fatal casualties are better than 5 million to one — and in the United States, 7 million to one. Nonetheless, every major accident seems to raise anxiety levels, especially in the United States, where air travel has become part of the fabric of daily life.

Highlighting the political impact of safety issues, there has been a visible push by the Clinton administration for a bigger government role in air travel-related security systems, most of which are currently controlled by airlines and airports. Next Monday, a presidential commission in Washington will unveil the government's blueprint for a new airport explosive detection system.

So far, only one device has been certified for potential use, and it is undergoing field testing. But the commission is expected to call for government investment in counterterrorist technology over the next 10 years of more than $5 billion.

In the commercial sector, the Federal Aviation Administration, the regulatory agency, appears set to launch a safety-ranking system for all U.S. carriers. The proposal has always been resisted by airlines, who fear that any system is liable to give a distorted image of the industry's performance. But industry analysts acknowledge that the idea appears to have popular appeal, adding that if such ratings catch on with U.S. consumers, Europe and Asia will be under pressure to follow suit.

Aviation officials in Washington describe such rankings as a way to give the public more information about air safety conditions, but it is unclear whether the results will pinpoint real lapses and risks or mainly reflect the degree to which an airline complies with bureaucratic reporting requirements.

Simultaneously, the FAA will shift its inspection focus away from big, established airlines — which currently absorb most of the agency's attention, even though they tend to have well-funded internal review procedures — and concentrate more on small, fast-growing "upstarts," as the U.S. industry likes to call newcomers.

The ValuJet airliner crash in Florida in May sharpened public concern about air safety even before the TWA disaster, reviving the specter of discount airlines skimping on maintenance and cutting corners on safety procedures.

In fact, analysts say, overwhelming evidence shows that safety on commercial jets has improved sharply in the two decades since deregulation of the U.S. airline industry. Suggestions that cheaper airlines are less safe encounter swift rebuttal among many analysts.

"Airlines, no matter how eager they are to find savings and offer discounts, have no interest in killing their own business," said Julie DeFalco, a policy analyst at the Competitive Enterprise Institute in Washington.

BUT upstart companies, whose competitive edge often reflects an absence of big salaried work forces, frequently turn to other companies for training and other services that established airlines provide in-house, often because of trade union pressure. This out-sourcing, critics say, could blur the focus on safety or foster discrepancies that proved hazardous.

FAA officials trace the agency's rationale for shifting its inspection focus to a completely different development — a new arrangement catching on among major U.S. airlines that encourages staff to volunteer information about potential hazards and thus save time for FAA inspectors. Only big carriers can afford these programs, which provide a special legal framework in which air crews can talk freely about what they notice on the job.

This valuable first-hand information was often withheld in the past because regulations required sanctions against a pilot singled out for safety lapses. By waiving the rules, this new approach is designed to encourage an airline's employees to volunteer information about everything from flight incidents to lax security in baggage handling.

In practice, however, any substantial improvement is likely to be very expensive in view of how much has been accomplished. "Future improvements are liable to come at much higher marginal costs," Ms. DeFalco pointed out, noting that mechanical failures have become increasingly rare as airlines and manufacturers have located weaknesses and fixed them.

Even so, manufacturers are constantly striving to identify new problems before they cause consumer worries. The latest example is concern about the possible hazards linked to a recent innovation in commercial aviation — electronic flight control systems that drastically expand the notion of automatic pilot.

In new-model airliners, the pilot's mechanical controls have been replaced by computer-managed electronic instruments, so-called fly-by-wire technology. Instead of cradling a joystick and treading on pedals, pilots now, in effect, fly by feeding instructions to on-board computers. Naturally, these computers are increasingly programmed to manage more aspects of flight, including likely emergencies.

This technology — so powerful that it has reduced the normal flight crew from three to two — is not as foolproof as it sounds, according to safety investigators who blame "interface" problems between pilots and computers for several crashes in which pilots seem to have lost track for a critical instant of what the computers were doing to their plane. It seems to be a particular problem for Airbus A-320s, but McDonnell Douglas and Boeing have also had incidents.

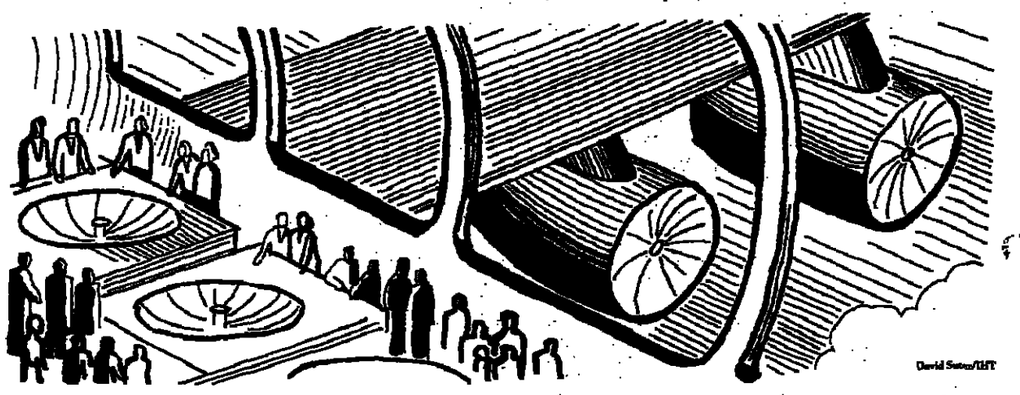
Statistically, the problem is minor: a fly-by-wire Airbus A-320 is still three times safer than a Boeing 707, whose reliability has been established over its long life as the world's most flown passenger jet.

Even so, manufacturers are worried about the interface risk. In a sudden emergency, it seems, pilots sometimes fail to realize what the computers are doing with the plane, causing fatal confusion. If a pilot tries to climb and is unaware that the computers are slowing air speed, the plane is liable to stall and crash before the pilot can recover.

A key question is how much authority should be given to computers. For example, should they be set to prevent pilots from making mistakes, even inadvertently, that violate safety norms — if necessary, by denying power? Boeing has just said "no," restoring a classic-looking joystick in the cockpit that pilots can grab to override the automated directions and restore full performance in an emergency.

Another consequence of the move to electronic instrumentation is increased reliance on digital flight-data recorders as the prime and often sole trail of evidence for investigators trying to reconstruct the causes of a crash.

In the past, the position of needles of smashed but frozen cockpit dials often revealed the plane's situation at the moment of impact. New flight recorders capable of monitoring data through dozens of channels simultaneously can yield an unparalleled wealth of information about what caused a crash — on condition that the black box, which is actually fluorescent orange, can be retrieved.



David Sutton/IHT

New Technology Sparks Revolution in the Air

Continued from Page 13

major significance to the airline industry.

Satellite navigation also is expected to help stressed air traffic controllers by taking over the monitoring of routine operations, leaving them to give their full attention to cases where a positional conflict arises between aircraft.

The system was first tested aboard a Qantas jet on its Sydney-to-San Francisco route in June last year. An estimated 400 long-haul aircraft will be equipped for FANS operation by the end of 1998.

Even though improved navigation will help airlines cope with air traffic congestion, they still have to cope with bottlenecks on the ground. Few new airports are being built in industrialized countries, and slots already are occupied at many of the major terminals, such as London's Heathrow.

Airlines have three potential or existing means of dealing with growing congestion:

- Operate larger aircraft, capable of carrying two or three times as many passengers as today's models and therefore requiring fewer takeoff and landing slots.
- Improve the efficiency of "hub and spoke" operations. A hub airport is a central terminal. The spokes are the secondary routes radiating from it.
- Develop more direct links between regional airports. Airbus Industrie and Boeing are both discussing with airline planners the introduction of a "super-jumbo" jet early in the next decade. Planners see two possible uses for such an aircraft — either on busy long-haul routes that currently require several aircraft, or on densely packed short- or medium-haul routes.

The challenge is to increase passenger capacity without exceeding the dimensions of the largest aircraft today, since the new planes will have to use existing airport gates.

Airlines in the United States are revising their hub and spoke strategy in their effort to improve profitability. They are concentrating their operations on a few major hubs rather than on many smaller or medium-sized ones. Hubs are most profitable when they can fit in a maximum number of connections.

In Europe, the national flag-carrying airlines have traditionally developed "linear" routes from their home-base airports, serving other capital cities. But European airlines also are turning to U.S. hubbing techniques to meet the challenge of liberalization and develop new route structures.

SWISSAIR, for example, is moving its main intercontinental operations to Zurich, depriving Geneva of most of its direct intercontinental destinations. It has taken a 49.5 percent stake in the Belgian carrier Sabena to develop Brussels as a secondary hub.

British Airways, faced with serious congestion at Heathrow pending the building of a fifth terminal, is developing London Gatwick as a secondary hub. Seeking to alter the perception of Gatwick as a charter airport, BA describes it as "the hub without the hubbub." Lufthansa is creating a secondary hub at Munich to devolve operations from its main base at Frankfurt.

With the advent of full deregulation, European airlines, including a number of start-up companies, are developing point-to-point routes between the less crowded secondary airports. As a result, airports long seen as dreary municipal appendages, are busy marketing themselves. Britain's Manchester airport, for example, consistently rates high in passenger surveys.

Europe's highly developed rail network gives many regional airports a wide service area. Passengers can often fly to a quieter secondary airport and complete their journey by train in less time than it takes to fly from capital to capital. Local airports that are seeing a resurgence include Birmingham, Lyon, Bologna, Stuttgart, Hamburg, Basel, Barcelona, Nice and Cannes.

Regional airports are often better suited to the needs of local passengers. Even in the United States some airlines, including Southwest Airlines, one of the most profitable, have succeeded by concentrating on their local markets and avoiding hubs altogether.

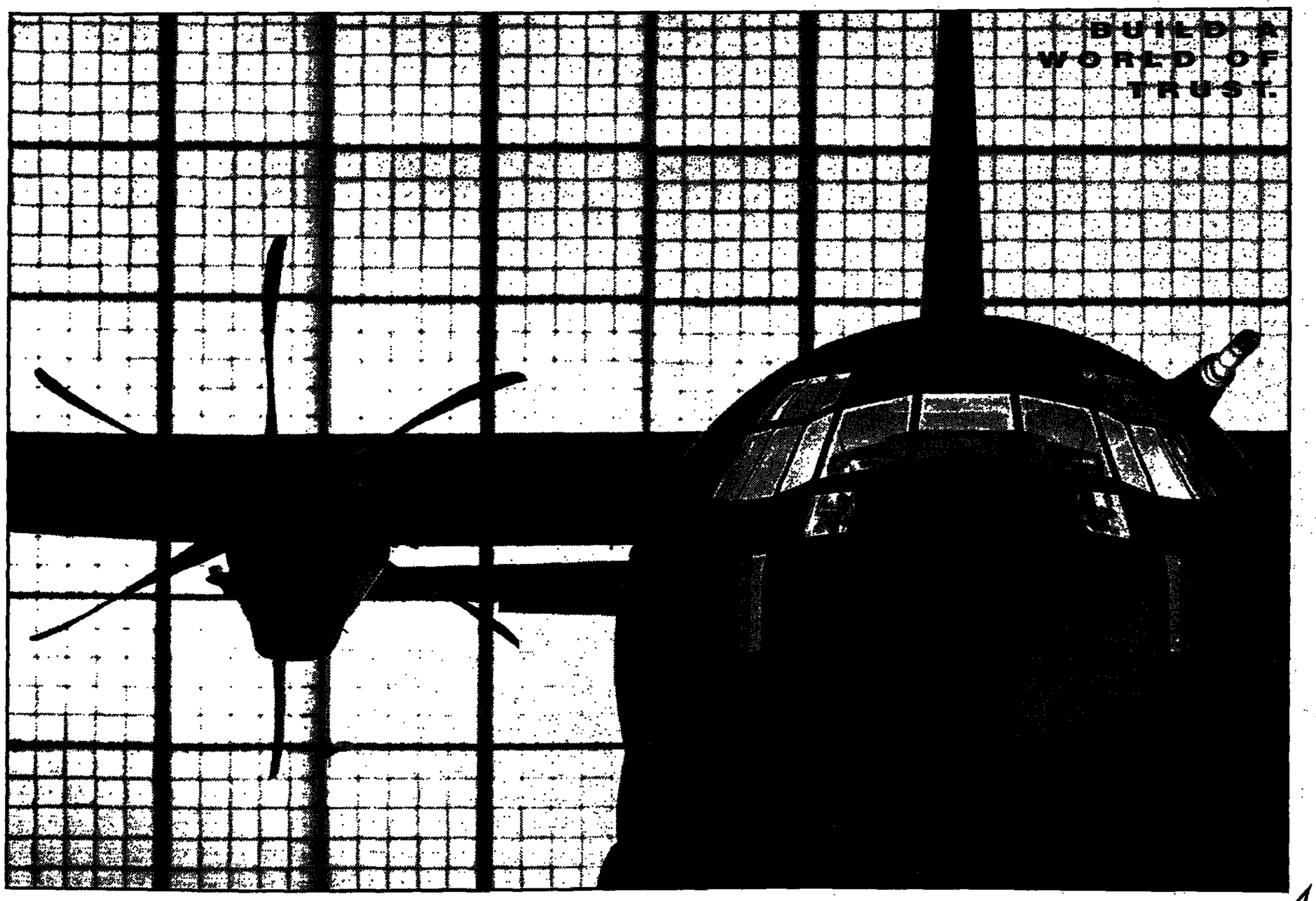
Ticketless travel, where passengers can book and pay for their flight by phone or computer, has become well established in the United States, where it is saving companies large sums of money in agents' fees.

United Airlines says 30 percent of its domestic travel is ticketless. It supplies its favored customers with software that gives them interactive access to the flights of about 380 airlines and allows them to check their frequent flyer accounts and check schedules.

Lufthansa has developed its own smart card that acts as a ticket, boarding card and credit card all in one. But electronic booking in Europe is limited because of a clause in the Warsaw Convention that says passengers on international flights must have written confirmation of flight details and liability, which means that they normally have to receive a ticket.

Airlines also are tentatively turning to the Internet to attract bookings, although this method is unlikely to catch on until both the companies and the passengers can be reassured that credit card transactions over the net are secure. American Airlines holds on-line auctions on the Internet, where passengers can bid on last-minute availability of flights. The airline says the gimmick enables it to operate many flights at full capacity that otherwise would fly with 40 percent of the seats empty.

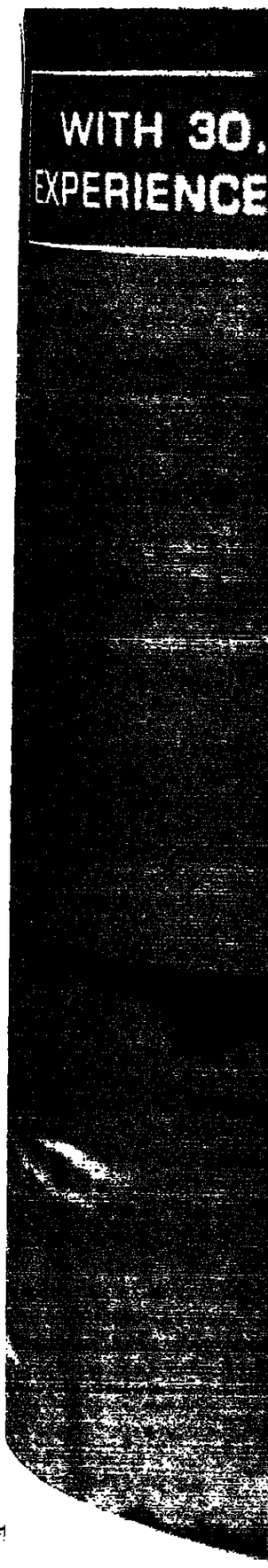
The auction is not the only gamble in the air. BA, Singapore Airlines, Swissair and Virgin Atlantic Airways all are planning to equip their aircraft with in-flight gambling systems, and other carriers are certain to follow suit. The United States bans gambling in the air, but cannot do much about it on cruise ships outside territorial limits.



Our mission is to forge strong partnerships with government and commercial customers throughout the world. With technology ranging from aeronautics and electronics to space communications and information services. Our customers count on us to meet their national needs for affordable solutions that get results. Working together, we turn opportunity into reality.

LOCKHEED MARTIN
Mission Success

http://www.lmco.com/



هكذا من الأصل

AVIATION / A SPECIAL REPORT

The Golden Age of Fighters May Give Way to Missile Era

Continued from Page 13

turer. "It could look like a European version of Lockheed Martin in scale and resemble Hughes in product mix," an industrialist said recently.

Meanwhile, the competition for export sales amid shrinking arms budgets has defense contractors going full throttle in pursuit of orders for aircraft set to roll off their assembly lines — all of which will be on show in Farnborough.

Making its international debut, Russia's most advanced fighter — the Su-37, with revolutionary thrust vectoring engines for high maneuverability in combat — is supposed to fly at Farnborough after completing its testing last month. But it has been promised to international audiences before, without the Sukhoi Design Bureau being able to deliver. If the prototype makes it this time, it is scheduled to go on to the Seoul air show, a natural step since Russian exporters are intensely concerned about competition in Asia if China exploits licensing agreements to offer cheaper versions of Russian fighters.

Most potential customers are liable to find the Su-37's combat capabilities too sophisticated. So Russia is planning to show planes with broad appeals, including the Su-30, a multirole fighter ordered by the Russian Air Force and by India, and the Su-32 fighter-bomber.

For most of the Farnborough audience, the most interesting moment is likely to be the opportunity to see Europe's three new fighters — the Eurofighter, the French Rafale and the Swedish Gripen — put through their aerial paces for the first time almost head to head. All three are due to enter service in the next two years.

The French and Swedish aircraft are likely to be the last fighters built by a single European nation, and even the four-nation consortium behind the Tornado's successor, Eurofighter, lags badly behind U.S. technology. As a result, Europe seems unlikely to launch a follow-on venture without a non-European partner capable of bringing high-tech innovations from the United States or perhaps Japan.

In addition, the saga of this plane — now dubbed Eurofighter 2000 to disguise its failure to fly on schedule in the mid-1990s — highlights a need to rethink the European approach to consortia in favor of a more commercial approach.

Sweden's Gripen JAS-39 has always been an intriguing airplane: an agile interceptor with very advanced avionics, it has been designed with too short a range to fly offensive missions. It therefore has special appeal as the world's most obviously "defensive" aircraft, and its sales drive has gained fresh impetus since Saab, its Swedish manufacturer, struck a deal with British Aerospace to cooperate in seeking export orders for the plane.

Question marks still hang over Dassault's Rafale, the all-French aircraft designed to compete with Eurofighter. But since Paris launched sweeping plans to streamline its armed forces this year, top commanders have complained publicly that Rafale will cost them more than it is worth in terms of the armed forces' overall effectiveness within the new, sharply pruned defense budgets. The Rafale, like Eurofighter, enjoys political support as an employer and as a way of keeping national design teams.

The U.S. presence at Farnborough will be massive but largely devoid of the advanced warplanes that give the United States its comfortable technological lead. The range of fighters scheduled to appear — the F-16, F-18 and F-15E — are late-model warhorses that U.S. manufacturers want to see scoring fresh sales in Eastern Europe to prospective NATO members.

But Washington seems unready to rely much longer on these planes, with Pentagon planners claiming that some Russian warplanes can outperform the F-15 and worrying aloud about the proliferation of ground-to-air missiles. The Department of Defense is seeking funds, perhaps as much as $300 billion plus over the next decade, to provide new or nearly new warplanes.

But this plan will have to surmount strong challenges for funding. Many military experts in Washington contend that the United States can meet any foreseeable threat by building new, upgraded versions of the present aging fighter fleet. Billions of dollars earmarked for development of new aircraft would be freed for spending on other military options, including missiles.

Some of the funding is already in the pipeline, including the start of a $2 billion program (which now seems assured of full funding) for McDonnell Douglas to turn out a new generation of the F-18 naval fighter-bomber. A second, much bigger program involves the F-22, a supersonic fighter designed to be as hard to see coming as the unwieldy F-119 Stealth fighter and pack the wallop of an F-15. Its builders — Lockheed Martin and Boeing along with Pratt & Whitney — hope to see the first F-22 flying next year.

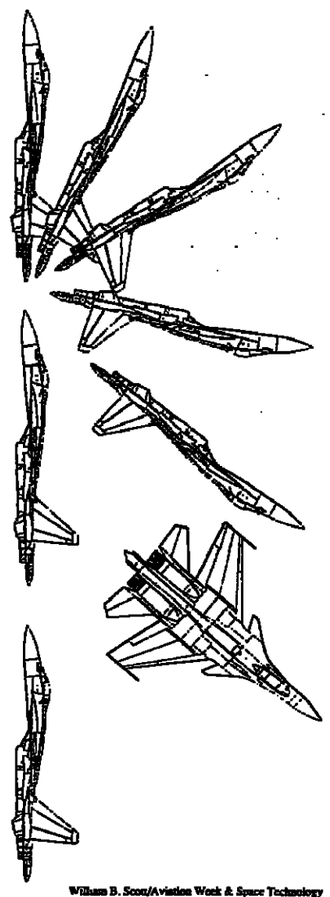
In the planned spending package, the prize is Joint Strike Technology, a hybrid fighter to be built for and bought by the U.S. Air Force, Navy and Marines, along with Britain's Royal Navy. For the first time, budget pressures have forced the air force and the navy to try designing a plane that both can use, so it involves an extraordinary set of usually conflicting requirements — vertical take-off for the marines, maneuverability for the air force, bombing range for the navy.

Designing the plane involves heavy investment, but none of the three competitors — Lockheed Martin, Boeing Co. and a team comprising McDonnell Douglas Corp., Northrop Grumman Corp. and British Aerospace — can afford to neglect any effort in trying to avoid being eliminated from a program that could involve 3,000 jet fighters.

Already, the joint strike fighter has been dubbed, like so many of its predecessors, the contract of the century. Certainly, it is likely to turn out to be last big contract of the century. Its scheduled entry into service is 2008.

President Bill Clinton has to eliminate one of the three bidders in October, just weeks before the presidential election.

JOSEPH FITCHETT is a reporter for the International Herald Tribune.



William B. Scott/Aviation Week & Space Technology

The "Bell" maneuver, a specialty of Russia's Su-37 fighter, lets a pilot come to a near stop in mid-air.

Will Pilotless Aircraft Rule the Skies?

PARIS — A potentially historic leap in combat aircraft exists, at least on U.S. drawing boards: the unmanned fighter.

Advocates of this concept — a full-fledged fighter without a pilot in the cockpit — maintain that the technical problems can be solved over the next decade and the aircraft put into service by 2040.

To get there from here, they argue, persuasively, that the current and coming generation of fighters could be kept in service longer than the usual two decades, allowing time and budget savings to switch to this revolutionary technology.

"What you have until the year 2040 is the kind of aircraft in service now, improved to become more stealthy and upgraded as a platform that can carry more, smarter standoff missiles and keep a safe distance from targets with denser missile defenses," a Pentagon planner said.

But a plane flown by sensors and computers, with no crew and with streamlined engineering that did not have to take account of the human factor, could expect to get close enough for a knockout blow, even against heavily defended or moving targets.

Science fiction worthy of Buck Rogers or scientific possibility? Researchers are working on such projects in the United States, notably at the Pentagon's Advanced Research Projects Agency.

Not just super-drones of the sort that do reconnaissance now, these fighters — perhaps with a pilot controlling several of them from a mother ship miles away — would be capable of winning aerial dogfights on the way to target if necessary.

Planes engineered for design and performance beyond human endurance would represent a major new stage. Air power would be dramatically easier to use, starting with the fact that there would be no threat of seeing pilots captured or killed.

Technically, the payoff in performance would be tremendous if planes could be engineered without a cockpit, usually a significant limiting factor in streamlined design and as a weight factor.

Such planes would be much cheaper to build and operate, especially without the need for pilot training. They would also be much more likely to survive missions and come home because they would be capable of abrupt maneuvers, involving too much gravitational strain for a pilot, that would enable them to beat manned planes in dogfights and throw off defensive missiles.

In fact, such planes would resemble a missile, a similarity that goes to the heart of debates about the wisdom of pursuing efforts to build and deploy unmanned fighters.

"We already have a pilotless plane: it's called the cruise missile and it works," another military planner noted in Washington.

Recent revolutionary breakthroughs in military electronics and long-distance precision have allowed Western military planners to concentrate on knocking out targets accurately from a distance.

As a result, ideas of a pilotless plane — which sounds feasible if engineers can devise a reliable way to maintain electronic links with a mother plane — seem bound to lose out as air forces weigh the advantages of sophisticated missiles that can be carried in the air even by comparatively simple warplanes and launched with near-guaranteed effectiveness.

Joseph Fitchett

Surplus of Hardy Old Fighters Grows

By Conrad de Aenlle

LONDON — War is costly, even a cold one, but leaders of the world's air forces must find the price of peace high as well. Since the late 1980s, they have lost about one-fourth of their combat aircraft, not to enemy fire but to the scourges of fiscal prudence and diplomacy, and they must find ways to dispose of thousands of jets.

Most of the reduction has been carried out by the United States and its allies, which had much larger inventories to start with. The American bomber fleet fell by 56 percent between 1986 and 1994, according to Walters Research, an organization that compiles aerospace and defense information, and the number of U.S. fighter and other attack jets fell from 7,207 to 3,518.

"Since the end of the Cold War, certainly in the case of NATO and the Western allies, most except the French have initiated scale-down programs," said Paul Jackson, editor of Jane's "All the World's Aircraft."

The shrinking of air fleets coincides with a shrinking of military budgets. Last year U.S. defense forces had to make do with $274 billion. When expressed in constant dollars to remove the effects of inflation, this is 22 percent less than was spent in 1985.

Getting rid of combat aircraft, other than by brute force, is more difficult than might be supposed. While many militaries would love to acquire some American bombers, few will succeed in getting any.

"It's an exclusive club: governments do not lightly sell bomber aircraft abroad," said Mr. Jackson of Jane's. "No matter how much money you have, you can't go to the U.S. Air Force and say, 'I'd like a B-1 or a B-2 please.'"

Or even an old reliable B-52, the mainstay of the air force. Most of the 400 or so that have been scrapped, including 228 last year alone, have been sent to the Aerospace Maintenance and Regeneration Center in Arizona.

"There are a lot of different things that happen to planes depending on what they're used for; for bombers, it's chopping the wings off and rendering them useless," said Major Wes Davis, an air force spokesman.

"Tighter budgets mean you'll do modifications on them to keep them in service longer," he added. The B-52 was designed to last five to 10 years, "but we've got planes now that are flying 30 years."

The quality of Western-built jets makes it difficult to drum up demand for the ones that the United States and its allies would like to sell. Earlier models bought by governments in Latin America, the Middle East and elsewhere are still going strong, leaving little reason to upgrade to newer planes.

"These days military aircraft are expected to last 20 years minimum, as long as 30 years," Mr. Jackson said. That is quite a contrast from a typical World War II-era plane, which remained aloft for "a couple of dozen hours before it was shot down, crashed or otherwise disposed of."

East Germany, for example, was a large manufacturer of combat jets, and "very few of their aircraft have found new owners," Mr. Jackson said. "There are just so many of them. No one in Europe is allowed to have them because of forced restrictions. They are smashed to pieces or given to museums."

Or bought by collectors who want a portable museum of their own: "There's quite a market in second-hand combat aircraft in the civilian world. The cost of picking up combat aircraft in an East European scrap yard would be very little. . . . Simply go there with a fistful of dollars, buy a MiG-21, ship it back to the States and fly it."

CONRAD DE AENLLE is a writer in London.

WITH 30,000 JET ENGINES IN THE AIR, WE HAVE A LOT OF EXPERIENCE GETTING THINGS SUCCESSFULLY OFF THE GROUND.

Introducing an alliance of the two manufacturers airlines around the world rely on most to get their aircraft off the ground - GE Aircraft Engines and Pratt & Whitney. The two companies are jointly developing a new engine - the GP7176 - that promises to offer airlines significantly lower operating costs, and will be supported by a world-class service organization. Employing proven technology, the engine will provide lower weight, fuel burn, noise and emissions.

The GP7176 - with 76,000 pounds of thrust - is scheduled for first run in July, 1998. If you're planning to get a super wide body fleet off the ground any time soon, make sure you catch the inaugural launch of the GE-P&W Engine Alliance at Farnborough, Hall 4, Booth E4. It promises to be a beautiful takeoff.

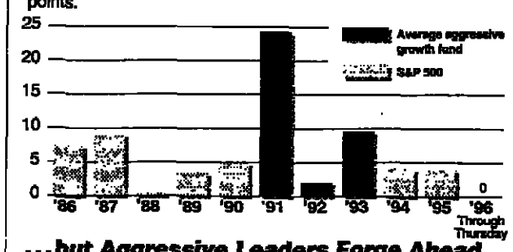
GE P&W Engine Alliance

MUTUAL FUNDS

Figures as of close
of trading Friday, Aug. 30

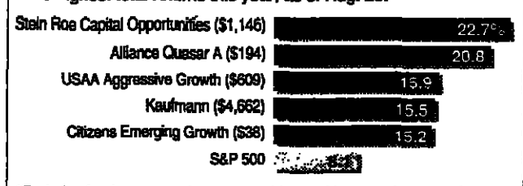
A Tie So Far This Year...

Since 1986, the average aggressive-growth fund has outperformed the S&P 500-stock index in only three years. Here are the differences in annual total returns, in percentage points.



...but Aggressive Leaders Forge Ahead

The aggressive-growth funds (and their assets in millions) with the highest total returns this year, as of Aug. 29.*



*Excludes funds younger than a year old and with assets less than $30 million. For funds with more than one share class, only one class is included.

Source: Morningstar Inc. NYT

هكذا من الأصل



Cutting a tenth of a second off your time can take years.
With Air France you can cut several hours off in one flight.

GENEVA - MEXICO IN 14 hr. 45 min.*
BIRMINGHAM - BOMBAY IN 11 hr.*

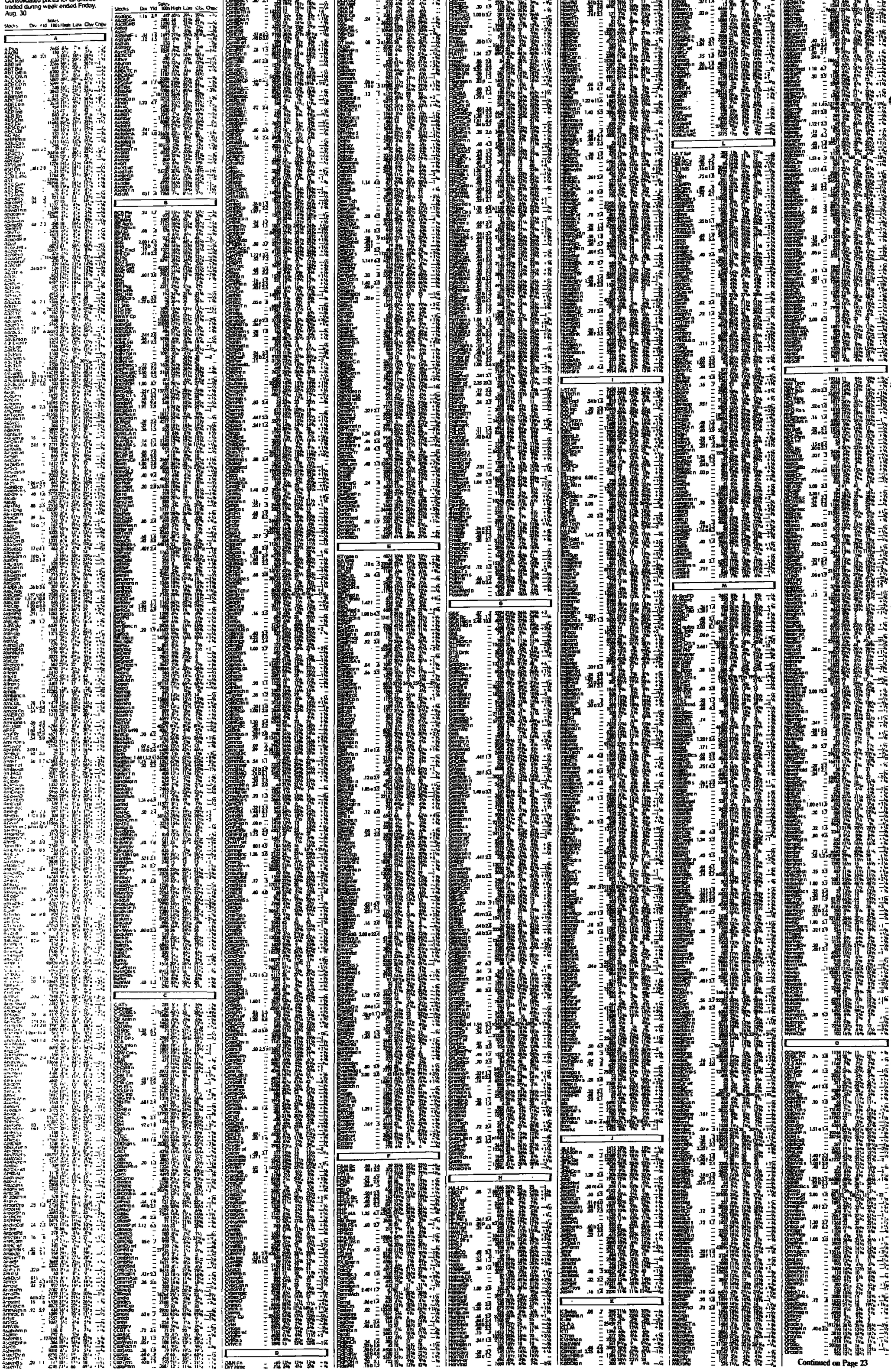
NEW HUB TRANSFER SYSTEM
PARIS CDG 2 AIRPORT

You might not have the patience or the fitness to time yourself for the 400-metre butterfly event, and you've probably no hope of ever winning a medal. However, there's nothing to stop you from saving any amount of time over thousands of miles. When using the new "Paris - Charles-de-Gaulle 2" hub transfer system today, you connect with the Air France worldwide network in record time (that is 600 long-distance and 2,600 medium-haul flights every week). Save time and earn Miles too while you travel, with our new "Frequence Plus" frequent flyer program. On your marks. Get set. Go... with Air France. *Theoretical flight and connection times based on flight schedules published by Air France / Air Inter Europe. YOU WILL ALWAYS HAVE A REASON TO FLY AIR FRANCE.

AIR FRANCE

NASDAQ NATIONAL MARKET

Consolidated prices for all shares traded during week ended Friday, Aug. 30



Continued on Page 23

هكذا من الأصل

NASDAQ NATIONAL MARKET

Consolidated prices for all shares traded during week ended Friday, Aug. 30

(Continued)



DENNIS THE MENACE

"Boy, WE WERE REALLY SOMETHING IN THOSE DAYS, HUH?"

PEANUTS

CALVIN AND HOBBES

GARFIELD

WIZARD of ID

BEETLE BAILEY

THE FAR SIDE

The embarrassment of riding off into a fake sunset.

DOONESBURY FLASHBACKS

JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

DETES

THUCE

YULOHN

INTOUG



Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer: _____ _____ (Answers tomorrow)

Saturday's Jumbles: TIGER VIXEN MOHAIR GYPSUM
Answer: What their "dream" vacation turned out to be – A NIGHTMARE

To our readers in France

It's never been easier to subscribe and save with our new toll free service.

Just call us today at 05 437 437

BLONDIE



The Newspaper Of Record For The International Mutual Fund Industry

■ Listings - Daily ■ Money Report - Weekly ■

■ Fund Performance Focus - Monthly ■

Reaching Personal Investors In Over 180 Countries.

Herald International Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

THE WORLD'S DAILY NEWSPAPER

SPORTS

Americans Ice Canada – Finally

By Joe Lapointe
New York Times Service

PHILADELPHIA — The United States hockey team has rarely been successful against Canada. In the past four Canada Cup tournaments, the best American professionals were beaten.

But the tournament has a new name: the World Cup. On Saturday night, the United States took on Canada in a magnificent new building: the CoreStates Center. And the result was something new, too: United States 5, Canada 3.

Brett Hull scored twice for the United States, including an empty-net goal in the final minute to clinch the victory. Ranger goalie Mike Richter made 24 saves for the United States. Wayne Gretzky of Canada scored twice. Mark Messier scored Canada's other goal.

The result gave the Americans a 1-0 record in the three-game first round. Canada dropped to 1-1. The Americans play their next game on Monday night against Russia at Madison Square Garden.

The Russians evened their record at 1-1 Saturday with a victory over Slovakia. The United States, Canada and Russia are likely to advance out of this round, with the best record earning a second-round bye.

The first 20 seconds took seven minutes to play because two major fights broke out. The mood was set one second after the faceoff when Eric Lindros of Canada knocked the helmet from the head of Joel Otto of the United States, his teammate on the Philadelphia Flyers.

Keith Primeau of Canada began fighting with Bill Guerin while, on the other side of the ice, Keith Tkachuk of the United States exchanged punches with Claude Lemieux, leaving Lemieux's face battered and bloodied. Tkachuk and Lemieux were ejected by referee Terry Gregson for participating in a secondary altercation.

John LeClair gave the United States a 1-0 lead at 5 minutes 1 second of the first period by beating Martin Brodeur. Canada tied it at 1-1 at 9:53 on the power play on a goal by Gretzky.

After Lindros set up the play, Gretzky fired from a sharp angle and the puck

WORLD CUP HOCKEY

may have hit U.S. defenseman Chris Chelios before getting by Richter.

Messier gave Canada a 2-1 lead at 18:38 by knocking Scott Stevens' rebound past Richter as Kevin Hatcher, a U.S. defenseman, slid across to try to block it.

The United States scored the only two goals of the second period to take a 3-2 lead into intermission. Doug Weight tied it, 2-2, at 3:37 by turning in a shot from the blue line by Gary Suter.

Scott Young made it 3-2 at 10:48 just two seconds after the United States had killed off a Team Canada power play.

When several players neglected to play a loose puck, Young fired from low in the right circle to beat Brodeur on the glove side.

The loudest cheers during the introduction Saturday night were for Lindros.

Despite a sore thumb, he stuck out like a clenched fist. Even without a goal or an assist last Thursday, Lindros was the dominant presence when Canada opened with a 5-3 victory over Russia in Vancouver.

With a chilly and malicious method that is peculiar to him, especially in international contests, Lindros knocked over Russians as if they were so many little pins and he was an enormous, menacing bowling ball.

Late in Thursday's game, after Lindros flattened Slava Kozlov with a crushing collision, Igor Larionov retaliated with a two-handed slash.

Lindros described the role of his line, with Primeau on right wing and Brendan Shanahan on the left.

"Go out and grind down some of their big boys," Lindros said. "This is heated competition. This is big stuff. It's a war out there."

But Shanahan wasn't playing Saturday night. He was serving a one-game suspension for breaking the cheekbone of Russia's Alexander Semak with a stick. Gregson had given Shanahan only a two-minute minor penalty, but tournament officials reviewed the play Friday and came to a different conclusion.

Russia 7, Slovakia 4 In Montreal, Sergei Federov and Alexander Mogilny each had two goals and two assists for Russia.

Vyacheslav Kozlov, Sergei Gonchar and Sergei Nemchinov added goals. Scoring for Slovakia were Jergus Baca, Peter Bondra, Zdeno Ciger and Zigmund Palffy. Russia evened its record in the tournament at 1-1, while Slovakia dropped to 0-1.

Russia led, 3-2, after a first period that featured possibly the prettiest goal of the tournament. Bondra skated down the right wing and shot as he cut toward the Russian goalie Andrei Trefilov, leaped over a falling player, reversed his stride, grabbed the rebound and scored.

Palffy's second-period goal tied the game at 3-3, but Russia took the lead for good when Kozlov tipped the puck over a prone Jaromir Dragan. With 1.7 seconds left in the period, Federov intercepted the puck at the blue line, skated in a few steps and fired a slap shot home for a 5-3 lead. *(NYT)*

Germany 7, Czech Republic 1 Germany upset the Czech Republic in Garmisch-Partenkirchen, Germany, to advance to the second round.

Germany finished third in the European pool with a 2-1 record, while the Czechs, with Jaromir Jagr and 13 other NHL players, were eliminated after going winless in three outings.

A listless Czech team had already been routed by Sweden and Finland, but they figured to beat Germany, the only World Cup entry whose roster wasn't studded by NHL players.

But at 5:58 into the contest, it stood Germany 3, Czech Republic 0.

Germany, with just three NHL players to draw upon, will face the second-place finisher of the American division in its next contest on Thursday.

Germany's Canadian coach, George Kingston, was jubilant after the victory by his charges. The country has been trying for years to catch up with hockey's major powers.

"I think it's one of the biggest wins in Germany's history," Kingston said.

Marko Ludeman, a German club player, swept in on a power play from the left side to score the first goal at 2:24, Juergen Rumrich's shot came at 5:37 and was followed 21 seconds later by a score from teammate Jan Bendl, who plays for Slavia Prag.

When Jagr finally teamed up with Pittsburgh Penguin teammate Petr Nedved on a power play to drive in a shot from 24 feet, his team was already down, 6-0. It was also his first goal of the World Cup and came at 9:48 of the third period.

Germany also got a second-period goal from Benoit Ducet before Andreas Lupzig and Thomas Brandl completed the scoring. They only had an edge of two shot attempts, 34-32, over the Czechs. *(AP)*



Shaun Best/Reuters

Russia's Valeri Bure sliding into Slovakia's goaltender, Jaromir Dragan, during Russia's World Cup victory.

Springboks Salvage Pride

Reuters

JOHANNESBURG — South Africa managed to avoid a fifth straight defeat this year at the hands of New Zealand's All Blacks with 32-22 victory in front of an ecstatic Ellis Park crowd.

The Springboks scored three tries Saturday in recording their highest total against New Zealand, salvaging some pride in a season that saw the world champions lose five out of eight tests.

It also ended a run of nine straight victories this year for New Zealand, but arrived too late to prevent a 2-1 series defeat and a first All Black series triumph on South African soil.

Springbok scrum-half Joost van der Westhuizen was his team's inspiration, scoring its opening try and making the third for flanker Andre Venter from a penalty to help South Africa to a 29-8 lead after 54 minutes.

Fullback Andre Joubert scored the other try, scorching in from 40 meters (43.8 yards) at the start of the second half to add to his three long-range penalties.

The All Blacks made things respectable by scoring two tries from center Walter Little and scrum-half Justin Marshall in the final five minutes, closing a gap that at one point was 24 points.

But New Zealand had an off day, highlighted by the miscues of recalled fly-half Andrew Mehrtens, who missed five out of eight kicks at goal.

Recalled fly-half Henry Honiball kicked the Springboks into a 6-0 lead after 10 minutes, only to see Andrew Mehrtens launch a penalty from eight meters inside his own half to narrow the gap.

Mehrtens missed three more penalties and a conversion in the first 40 minutes, which could have put his team ahead.

Joubert made a 40-meter break in the 25th minute for the Springboks, which Van der Westhuizen picked up and scored under the posts.

Honiball converted and Joubert kicked a penalty, only to have the All Blacks' Sean Fitzpatrick score a try from close range just before halftime to narrow the lead to 16-8 and hint at a comeback.

But it was too late for the All Blacks.

Center Walter Little followed up Mehrtens' kick to score under the posts and scrum-half Justin Marshall forced himself over from a ruck close to the line in injury-time to offer some consolation.



Cobus Bodenstein/The Associated Press

A Springbok pass flying into the hands of the All Blacks' Frank Bunce.

Allenby Wins a Shoot-Out

Reuters

NORTHAMPTON, England — Robert Allenby almost threw away the British Masters when he dropped four shots in six holes, but he clinched the title in a play-off against Miguel Angel Martin.

Allenby, of Australia, was four shots clear with eight holes to play but then had four bogeys in his next six holes for a closing 73, which allowed the Spaniard to catch him with a 68 that included a 25-yard holed bunker shot for an eagle at the ninth.

They tied on a four-under-par total of 284 and then, in a somewhat fitting finale to a tournament in which everyone complained about the condition of the greens, Martin ran up a double-bogey seven to lose at the first sudden-death hole.

Just off the green at the 508-yard 18th in three strokes, he chipped 30 feet past, putted three feet past and, after missing his next shot, conceded defeat with Allenby two feet away in four.

It allowed the 25-year-old from Melbourne to grab his third victory of the season, which took him into third place in the European Order of Merit behind Ian Woosnam and Colin Montgomerie, who finished fifth and ninth.

"I just hung in there at the end and got pretty lucky," said Allenby, winner in June of the English and French Opens. "After nine holes, things were looking good. But anything can happen on this course, as we all saw."

Woosnam, who has been the most critical of a course that had suffered from a disease affecting the grass, needed an eagle at the par-five last to be in the play-off. He was on the green in two but then putted right off it and took six to drop to fifth place.

"I don't want to say anything because, if I do, I may say something bad — I've had enough," he said.

Ryder Cup captain Seve Ballesteros added his influential voice to the massive criticism of the course for what also was the first qualifying tournament for next year's Ryder Cup.

Ballesteros, who finished in 57th place, said: "Players are getting fed up with the situation and are going where there are better facilities and courses."

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE

EAST DIVISION	W	L	Pct.	GB
New York	76	59	.563	—
Baltimore	72	63	.533	4
Boston	69	67	.507	7½
Toronto	63	73	.463	13½
Detroit	49	87	.360	27½
CENTRAL DIVISION				
Cleveland	80	55	.593	—
Chicago	73	64	.533	8
Minnesota	67	69	.493	13½
Milwaukee	66	71	.482	15
Kansas City	62	75	.452	19
WEST DIVISION				
Texas	77	58	.570	—
Seattle	70	65	.519	7
Oakland	66	72	.478	12½
California	62	74	.456	15½

NATIONAL LEAGUE

EAST DIVISION	W	L	Pct.	GB
Atlanta	84	51	.622	—
Montreal	72	62	.537	11½
Florida	65	71	.478	19½
New York	60	76	.441	24½
Philadelphia	54	82	.397	30½
CENTRAL DIVISION				
Houston	74	63	.540	—
St. Louis	71	65	.522	2½
Chicago	67	67	.500	5½
Cincinnati	67	68	.496	6
Pittsburgh	56	79	.415	17
WEST DIVISION				
San Diego	76	61	.555	—
Los Angeles	74	61	.548	1
Colorado	70	67	.511	6
San Francisco	58	75	.436	16

FRIDAY'S LINE SCORES

AMERICAN LEAGUE

Kansas City 000 000 000—0 5 2
Detroit 400 000 00x—4 6 0

Rosado, Pichardo (8) and Sweeney; Van Poppel and Ausmus. W—Van Poppel, 3-6. L—Rosado, 5-4. HR—Detroit, T. Clark (17).

Chicago 204 010 004—11 18 1
Toronto 200 000 000—2 7 0

Tapani, Castillo (8), Simas (9) and Borders; W.Williams, Quantrill (3), Da.Johnson (8), Brow (9) and O'Brien. W—Tapani, 12-8. L—W. Williams, 2-2. HRs—Chicago, F. Thomas (29), Baines (21).

Cleveland 001 100 100—3 7 0
Texas 301 000 10x—5 9 0

Ogea, Shuey (7) and S. Alomar; Pavlik, Stanton (7), Russell (8) and I. Rodriguez. W—Pavlik, 15-7. L—Ogea, 7-5. HRs—Cleveland, Thome (32), Giles (5). Texas, I. Rodriguez (18), J. Gonzalez 2 (41).

New York 300 100 200—6 7 1
California 000 100 100—2 8 0

Pettitte, M. Rivera (9) and Leyritz; D.Springer, McElroy (7), James (9) and Fabregas. W—Pettitte, 19-7. L—D. Springer, 4-3. HRs—New York, T. Martinez (22), Leyritz (7), Duncan (7), Strawberry (10). California, Velarde (11).

Minnesota 000 000 103 000—4 12 0
Milwaukee 000 001 012 001—5 13 0
(12 innings)

Miller, Robertson (7), Hansell (8), Guardado (8), Trombley (9), Parra (12) and Walbeck; D'Amico, D. Jones (7), Fetters (9), Miranda (10), Wickman (10) and Stinnett, Levis (9). W—Wickman, 6-1. L—Parra, 5-4. HRs—Minnesota, Lawton (6). Milwaukee, Newfield (6).

Boston 000 000 000—0 7 0
Oakland 000 023 20x—7 9 0

M.Maddux, Brandenburg (6), Harris (7), Mahomes (8) and Stanley; Telgheder, Groom (9) and Steinbach. W—Telgheder, 2-5. L—M. Maddux, 2-2. HR—Oakland, McGwire (45).

Baltimore 000 104 000—5 12 0
Seattle 000 101 000—2 10 0

Coppinger, Orosco (6), Te.Mathews (6), R. Myers (8), Mills (9) and Hoiles; Hitchcock, Carmona (6), McCarthy (6), M. Jackson (7), T.Davis (9) and D. Wilson. W—Coppinger, 8-5. L—Hitchcock, 12-7. Sv—Mills (2). HRs—Baltimore, Murray (20), Incaviglia (1). Seattle, E.Martinez (23), Buhner (38).

NATIONAL LEAGUE

1st Game

Atlanta 000 200 000—2 3 0
Chicago 020 000 01x—3 6 1

Glavine and J. Lopez; Foster, B. Patterson (9) and Servais. W—Foster, 6-2. L—Glavine, 13-8. Sv—B. Patterson (7).

2nd Game

Atlanta 010 110 102—6 12 1
Chicago 101 000 300—5 10 4

Bielecki, Hartgroves (6), Clontz (6), McMichael (7), Borowski (8), Wohlers (9) and Lopez; Bullinger, Casian (5), Adams (6), Bottenfield (8), Patterson (9), Wendell (9) and Houston, Servais (7). W—Borowski, 2-1. L—Bottenfield, 2-4. Sv—Wohlers (34). HRs—Atlanta, Mordecai (1). Chicago, McRae (11).

San Diego 014 000 100—6 13 0
Montreal 000 000 000—0 2 1

S.Sanders, Oquist (9) and Flaherty; Paniagua, Juden (4), D. Veres (7), Dyer (9) and D. Fletcher, Chavez (8). W—S. Sanders, 8-4. L—Paniagua, 1-2.

San Francisco 200 000 301—6 10 2
New York 020 000 002—4 5 1

Estes, Beck (9) and R. Wilkins; Harnisch, Wallace (7), Franco (9) and Hundley. W—Estes, 3-4. L—Harnisch, 8-10. Sv—Franco (31). HR—San Francisco, Benard (5).

Houston 102 015 100—10 17 0
Pittsburgh 000 000 000—0 7 0

Wall and Eusebio; Peters, Wainhouse (5), Morel (6), Miceli (6), Ruebel (8) and Kendall. W—Wall, 9-4. L—Peters, 1-4.

Florida 001 011 000—3 8 0
Cincinnati 100 000 000—1 8 2

K.Brown and Natal; Remlinger, Service (6), Carrasco (6), Shaw (8), L. Smith (9) and Taubensee. W—K. Brown, 14-10. L—Remlinger, 0-1. HR—Florida, L. Castillo (1).

Colorado 000 010 201—4 8 1
St. Louis 000 013 30x—7 13 0

J.Wright, Leskanic (6), Holmes (8) and Je.Reed; Al.Benes, Honeycutt (7), T. J.Mathews (7), Eckersley (9) and Pagnozzi. W—Al.Benes, 12-8. L—J. Wright, 3-2. Sv—Eckersley (24). HRs—Colorado, Anthony 2 (11).

Los Angeles 000 105 000 001—7 9 0
Philadelphia 000 201 300 000—6 12 0
(12 innings)

Candiotti, Guthrie (6), Osuna (7), Radinsky (9), Dreifort (9), Td.Worrell (12), Piazza; Beach, Borland (6), Springer (8), R.Jordan (9), K. Ryan (10), Parrett (12), Santiago. W—Dreifort, 1-1. L—Parrett, 2-3. Sv—Td.Worrell (37). HR—Los Angeles, Ashley (7).

SATURDAY'S LINE SCORES

AMERICAN LEAGUE

Kansas City 000 102 000—3 5 0
Detroit 000 010 000—1 6 1

Linton, Bluma (7), Montgomery (9) and Macfarlane; Lira, J.Cummings (8), R. Lewis (8), M. Myers (9) and Ausmus. W—Linton, 6-9. L—Lira, 6-12. Sv—Montgomery (24). HRs—Kansas City, Paquette (19). Detroit, T. Clark (18).

Chicago 100 020 101—5 12 0
Toronto 001 000 000—1 7 0

Alvarez, R. Hernandez (9) and Borders; Flener, Risley (6), Spoljaric (9) and O'Brien. W—Alvarez, 15-7. L—Flener, 2-1. HR—Chicago, Ventura (30).

Baltimore 211 020 100—7 12 0
Seattle 200 210 010—6 9 0

Erickson, Corbin (7), Orosco (8), Mills (8), R. Myers (9), Benitez (9) and Parent, Hoiles (7); Moyer, Bosio (4), T. Davis (6), Carmona (7), Charlton (7), M. Jackson (9) and D. Wilson. W—Erickson, 9-11. L—Bosio, 4-4. Sv—Benitez (1). HRs—Baltimore, By.Anderson (41), Bonilla (22), Incaviglia (2). Seattle, Griffey Jr. (41).

Minnesota 110 000 000—2 6 1
Milwaukee 000 010 02x—3 9 0

Radke, Robertson (8), Stevens (8) and G. Myers; Eldred, Miranda (5), D. Jones (8), Fetters (9) and Levis. W—D. Jones, 3-0. L—Robertson, 6-13. Sv—Fetters (27). HR—Milwaukee, Mieske (12).

Cleveland 001 000 011—3 9 0
Texas 022 011 00x—6 8 0

J.McDowell, Tavarez (6), Mesa (8) and Pena, S. Alomar (5); D.Oliver, Vosberg (9) and I. Rodriguez. W—D. Oliver, 11-6. L—J. McDowell, 10-9. Sv—Vosberg (7). HRs—Cleveland, Belle (44), S.Alomar (8). Texas, Palmer (33), Newson (9).

Boston 000 000 000—0 5 1
Oakland 223 001 00x—8 8 1

Wakefield, Eshelman (7), Lacy (8) and Stanley; Adams and Steinbach. W—Adams, 2-2. L—Wakefield, 11-12. HRs—Oakland, McGwire (46), Berroa (35), Lesher (2).

New York 007 400 300—14 16 1
California 001 001 010—3 7 3

Key, Polley (9) and Girardi; Dickson, Gohr (3), Grimsley (5), Percival (9) and Greene. W—Key, 10-10. L—Dickson, 1-2. HR—California, C. Davis (27), Arias (5).

NATIONAL LEAGUE

Atlanta 000 000 000—0 3 0
Chicago 002 001 54x—12 12 0

Neagle, Clontz (6), Hartgroves (7) and J. Lopez; F.Castillo, T.Adams (7) and Servais. W—F. Castillo, 7-14. L—Neagle, 14-7. Sv—T. Adams (4). HRs—Chicago, McRae (12), Timmons (3), Gonzalez (12).

Houston 000 000 203—5 9 1
Pittsburgh 001 001 011—4 11 0

Hampton, Brocail (5), Olson (6), X. Hernandez (7), Hudek (9) and Manwaring, Eusebio (9); Cordova, M. Wilkins (6), Ericks (8) and Kendall. W—X. Hernandez, 4-4. L—Ericks, 3-4. Sv—Hudek (1). HRs—Pittsburgh, J. Allensworth (4), Kendall (3).

San Francisco 000 100 010—2 6 0
New York 001 013 11x—7 13 0

Fernandez, Scott (5), Creek (6), Dewey (6), Poole (7), Bautista (9) and R. Wilkins; Person, Mlicki (6), D. Henry (8) and Hundley. W—Person, 3-5. L—Fernandez, 6-14. HRs—San Francisco, R. Wilkins (11). New York, Petagine (3), Espinoza (3).

San Diego 000 000 020—2 4 0
Montreal 000 121 00x—4 8 0

Tewksbury, Tl.Worrell (6), Bergman (8) and Flaherty; Daal, Urbina (6), Rojas (8) and D. Fletcher. W—Daal, 3-2. L—Tewksbury, 10-9. Sv—Rojas (26).

Los Angeles 102 000 000—11 18 1
Philadelphia 000 310 201—7 10 1

I.Valdes, Park (8), Osuna (9) and Piazza; Schilling, L. Mitchell (4), Parrett (5), R. Jordan (7), Springer (9) and Santiago. W—I. Valdes, 12-7. L—Schilling, 6-8. Sv—Osuna (3). HRs—Los Angeles, Mondesi (21). Philadelphia, Eisenreich (3).

Florida 507 000 101—8 12 0
Cincinnati 070 042 63x—22 18 4

Miller, Y. Perez (2), Batista (4), Hammond (5), F. Heredia (7), Powell (8) and Zaun; Jarvis, Carrasco (6), Salkeld (8) and Taubensee. W—Jarvis, 7-7. L—Miller, 1-2. HRs—Florida, Dv.White (13). Cincinnati, Mitchell (4), Taubensee (11), Morris (12), W.Greene (11), L. Harris (5).

Colorado 000 100 000—1 4 0
St. Louis 000 200 00x—2 5 1

Bailey, B. Ruffin (8) and Je.Reed; An.Benes, Honeycutt (7), Eckersley (9) and Pagnozzi. W—An.Benes, 15-9. L—Bailey, 2-3. Sv—Eckersley (25). HR—St.Louis, Lankford (21).

IHT Puts Baseball Stats on the Internet
All the box scores and the 1996 schedule on the IHT web site:
http://www.iht.com/IHT/SPORTS/bbl.html

Japanese Leagues

CENTRAL LEAGUE

	W	L	T	Pct	GB
Hiroshima	62	47	0	.569	—
Yomiuri	63	48	0	.568	—
Chunichi	58	50	0	.537	3½
Yakult	53	56	0	.486	9
Yokohama	47	63	0	.427	15½
Hanshin	45	64	0	.413	17

SATURDAY'S RESULTS

Hanshin 4, Yakult 1
Hiroshima 9, Yokohama 8
Yomiuri 6, Chunichi 4

SUNDAY'S RESULTS

Hiroshima 8, Yokohama 3
Chunichi 6, Yomiuri 1

PACIFIC LEAGUE

	W	L	T	Pct	GB
Orix	60	44	5	.573	—
Nippon Ham	61	47	3	.563	1
Kintetsu	50	52	1	.490	9
Lotte	49	55	2	.472	11
Daiei	50	61	1	.451	13½
Seibu	48	59	4	.450	13½

SATURDAY'S RESULTS

Kintetsu 3, Nippon Ham 2
Daiei 7, Orix 4
Lotte 6, Seibu 3

SUNDAY'S RESULTS

Orix 5, Daiei 2
Seibu 8, Lotte 0
Nippon Ham vs. Kintetsu, ppd., rain

TENNIS

U.S. Open

SUNDAY'S RESULTS

THIRD ROUND
MEN'S SINGLES

Stefan Edberg, Sweden, def. Paul Haarhuis, Netherlands, 6-4 7-6 (7-4) 6-1; Goran Ivanisevic (4), Croatia, def. Hendrik Dreekmann, Germany, 6-3 6-2 7-6 (13-11); Guy Forget, France, def. Sjeng Schalken, Netherlands, 6-2 7-5 4-6 4-6 6-0.

FOURTH ROUND
WOMEN'S SINGLES

Conchita Martinez (4), Spain, def. Asa Carlsson, Sweden, 6-2, 6-1; Monica Seles (2), U.S., def. Sandrine Testud, France, 7-5 6-0.

SATURDAY'S RESULTS

THIRD ROUND
MEN'S SINGLES

Thomas Enqvist (13), Sweden, def. Pablo Campana, Ecuador, 6-4, 6-4, 6-2; Arnaud Boetsch, France, def. Jeff Tarango, United States, 6-4, 6-2, 7-6 (7-5); Michael Chang (2), United States, def. Vince Spadea, United States, 6-4, 5-7, 2-6, 7-5, 6-3; Javier Sanchez, Spain, def. Jason Stoltenberg, Australia, 6-4, 3-6, 4-6, 6-2, 7-6 (8-6).

David Wheaton, United States, def. Alex O'Brien, United States, 1-6, 7-5, 6-1, 6-2; Andre Agassi (6), United States, def. Jan Siemerink, Netherlands, 6-4, 6-2, 7-6 (9-7); Jakob Hlasek, Switzerland, def. Hernan Gumy, Argentina, 7-5, 6-1, 6-2; Thomas Muster (3), Austria, def. Sergi Bruguera, Spain, 6-2, 6-4, 6-3.

THIRD ROUND
WOMEN'S SINGLES

Judith Wiesner, Austria, def. Petra Langrova, Czech Republic, 6-2, 6-0; Steffi Graf (1), Germany, def. Natasha Zvereva, Belarus, 6-4, 6-2; Martina Hingis (16), Switzerland, def. Naoko Kijimuta, Japan, 6-2, 6-2; Rita Grande, Italy, def. Els Callens, Belgium, 7-5, 6-1.

Jana Novotna (7), Czech Republic, def. Tami Whitlinger Jones, United States, 6-2, 6-3; Karina Habsudova (17), Slovakia, def. Sandra Dopfer, Austria, 6-2, 6-3; Arantxa Sanchez Vicario (3), Spain, def. Elena Likhovtseva, Russia, 6-1, 6-0; Anna Kournikova, Russia, def. Barbara Paulus (14), Austria, 3-6, 6-2, 6-4.

FRIDAY'S LATE RESULTS

SECOND ROUND
MEN'S SINGLES

Jonas Bjorkman, Sweden, def. David Nainkin, South Africa, 6-4, 6-1, 6-1; Alex Corretja, Spain, def. Filippo Veglio, Switzerland, 6-7 (4-7), 6-4, 6-4, 6-0; Cedric Pioline (16), France, def. Roberto Carretero, Spain, 4-6, 6-2, 6-2; Paul Haarhuis, Netherlands, def. Michael Tebbutt, Australia, 1-6, 6-2, 6-2, 6-3.

THIRD ROUND
WOMEN'S SINGLES

Conchita Martinez (4), Spain, def. Helena Sukova, Czech Republic, 6-4, 6-3; Lindsay Davenport (8), United States, def. Anne-Gaelle Sidot, France, 6-0, 6-3; Amanda Coetzer, South Africa, def. Irina Spirlea, Romania, 7-6 (7-5), 7-5; Linda Wild, United States, def. Barbara Rittner, Germany, 6-4, 4-6, 7-5; Asa Carlsson, Sweden, def. Gabriela Sabatini (15), Argentina, 7-5, 3-6, 6-2.

HOCKEY

World Cup

FIRST ROUND
SATURDAY'S RESULTS

Germany	4	1	2	—7
Czech Republic	0	0	1	—1

First period: 1, G-Ludeman (Ducet), (pp). 2, G-Rumrich (Ustorf). 3, G-Jan Benda (Goldmann, MacKay). 4, G-Brandl (Lupzig, Stefan). Second period: 5, G-Doucet (McKay, Hegen). Third period: 6, C-Jagr (Nedved, Patera). 7, G-Benda (Brandl, Heidt). G-Lupzig (Meyer). Shots on goal: C-12-11-9—32. G-15-9-10—34. Goalies: G-Josef Heiss (32 shots-31 saves); C-Roman Turek, Petr Briza (12:07, 1st period).

Russia	3	2	2	—7
Slovakia	2	1	1	—4

First Period: 1, S-Baca 1 (Svehla, Palffy), (pp). 2, R-Fedorov 2 (Gonchar, Kasparitis), (pp). 3, S-Bondra 1 (Drappa). 4, R-Mogilny 1 (Fedorov, Zhitnik). 5, R-Mogilny 2 (Fedorov, Fetisov). Second Period: 6, S-Palffy 1. 7, R-Kozlov 1 (Larionov, Trefilov), (pp). 8, R-Fedorov 3. Third Period: 9, S-Ciger 1. 10, R-Gonchar 1 (Mogilny, Nemchinov), (pp). 11, R-Nemchinov 1 (Mogilny, Gonchar). Shots on goal: R-9-10-7—26. S-10-12-5—27. Goalies: R-Dragan (27 shots-23 saves). S-Trefilov (26-19).

United States	1	2	2	—5
Canada	2	0	1	—3

First Period: 1, U.S.-LeClair (Amonte, Smolinski). 2, C-Gretzky (Niedermayer, Lindros), (pp). 3, C-Messier (Stevens, Desjardins). Second Period: 4, U.S.-Weight (Suter, Hull), U.S.-Young (Hull). Third Period: 6, U.S.-Hull (Chelios), (pp). 7, C-Gretzky (Coffey, Fleury). 8, U.S.-Hull (Weight), (en). Shots on goal: C-10-9-7—26. U.S.-3-10-13—26. Goalies: C-Brodeur (25 shots-21 saves). U.S.-Richter (26-23).

STANDINGS: American Division— United States 2 points, Canada 2, Russia 2; Slovakia 0. European Division—Finland 4, Sweden 4; Germany 0, Czech Republic 0.

SOCCER

SPANISH FIRST DIVISION

Deportivo Coruna 1, Real Madrid 1

GERMAN CUP
SECOND ROUND

Karlsruhe 2, Hansa Rostock 0
Borussia Neunkirchen 1, St Pauli 3
Duisburg 1, Luebeck 0
Zwickau 3, Cologne 1

AFRICAN NATIONS CUP
PRELIMINARY ROUND, SECOND LEG

Mauritania 0, Benin 0
(Benin won 4-1 on aggregate)

WORLD CUP QUALIFYING
EUROPE
GROUP ONE

Greece 3, Bosnia 0

GROUP TWO

England 3, Moldova 0

GROUP THREE

Azerbaijan 1, Switzerland 0
Hungary 1, Finland 0

GROUP FOUR

Austria 0, Scotland 0
Belarus 1, Estonia 0
Sweden 2, Latvia 1

GROUP FIVE

Russia 4, Cyprus 0
Israel 2, Bulgaria 1

GROUP SIX

Faeroe Islands 1, Slovakia 2

GROUP SEVEN

Belgium 2, Turkey 1
Wales 6, San Marino 0

GROUP EIGHT

Liechtenstein 0, Ireland 5
Romania 3, Lithuania 0

GROUP NINE

Armenia 0, Portugal 0
Northern Ireland 0, Ukraine 1

CONCACAF
GROUP TWO

Canada 3, Panama 1

INTERNATIONAL FRIENDLIES

France 2, Mexico 0
Netherlands 2, Brazil 2
United States 3, El Salvador 1

MAJOR LEAGUE SOCCER
SATURDAY'S RESULT

Tampa Bay 3, New England 1

STANDINGS: Eastern Conference—x-Tampa Bay 45; D.C. 40; NY-NJ 30; Columbus 28; New England 27. Western Conference—x-Dallas 40, x-Kansas City 40; x-Los Angeles 39; San Jose 35; Colorado 28.
(x-clinched playoff spot)

GOLF

British Masters

Leading scores from Saturday's final round of the British Masters at the 6,726-yard (6,153 meters), par-72 Collingtree Park Course in Collingtree, England:

x-Rob. Allenby, Australia	69-71-71-73—284
Miguel A. Martin, Spain	70-75-71-68—284
Costantino Rocca, Italy	71-73-72-69—285
Miguel A. Jimenez, Spain	74-72-73-67—286
Ian Woosnam, Wales	70-76-71-70—287
Jose Coceres, Argentina	69-78-71-70—288
Antoine Lebouc, France	74-73-70-72—289
J. Haeggman, Sweden	71-77-70-71—289
Pedro Linhart, Spain	72-73-67-78—290
C. Montgomerie, Scotland	68-76-77-69—290
Klas Eriksson, Sweden	71-75-72-72—290
Robert Coles, England	74-76-71-69—290

x-(Allenby won at first extra hole)

FOOTBALL

CFL Standings

EASTERN DIVISION	W	L	T	PF	PA	Pts
Toronto	8	1	0	306	88	16
Montreal	5	5	0	260	254	10
Hamilton	4	5	0	215	288	8
Ottawa	2	8	0	177	300	4
WESTERN DIVISION						
Calgary	8	1	0	350	156	16
Edmonton	6	3	0	229	141	12
Winnipeg	5	4	0	215	246	10
Saskatchewan	2	7	0	164	256	4
British Columbia	2	8	0	208	295	4

FRIDAY'S RESULT

Ottawa 17, Montreal 6

Major College Scores

EAST

Bloomsburg 45, Wayne, Mich. 14
Rhode Island 49, American Intl. 3
Rutgers 38, Villanova 28
W. Virginia St. 20, Bowie St. 19
West Chester 62, Cheyney 0
West Virginia 34, Pittsburgh 0

SOUTH

Alabama 21, Bowling Green 7
Albany, Ga. 17, North Alabama 10
Auburn 29, Ala.-Birmingham 0
Concord 27, Tusculum 13
Florida 55, SW Louisiana 21
Florida A&M 35, Tennessee St. 20
Georgia Southern 28, S. Carolina St. 14
Johnson C. Smith 36, Benedict 0
Louisiana Tech 20, Middle Tenn. 0
Louisville 38, Kentucky 14
Maryland 30, N. Illinois 7
Miami 30, Memphis 7
Miles 14, Kentucky St. 12
Mississippi 38, Idaho St. 14
Morehouse 24, Bethune-Cookman 20
N. Carolina A&T 38, N.C. Central 31, OT
North Carolina 45, Clemson 0
Savannah St. 20, Tuskegee 12
Southern Miss. 11, Georgia 7
Tennessee 62, UNLV 3
Troy St. 61, Alcorn St. 7
Valdosta St. 42, Gardner-Webb 16
Virginia St. 24, Norfolk St. 15
West Georgia 10, Newberry 7
Winston-Salem 15, Fort Valley St. 10

MIDWEST

Cent. St., Ohio 18, Morgan St. 17
Indianapolis 28, St. Joseph's, Ind. 21, OT
Kansas St. 21, Texas Tech 14
Miami, Ohio 64, Kent 6
Michigan 20, Illinois 8
Michigan St. 52, Purdue 14
S. Illinois 24, Cent. Arkansas 12
Temple 28, E. Michigan 24
Walsh 27, Mount Senario 0
Wayne, Neb. 50, Emporia St. 38

SOUTHWEST

Angelo St. 21, NE Oklahoma 14
Harding 45, Arkansas Tech 41
Houston 43, Sam Houston St. 25
Langston 54, Panhandle St. 7
N.Mex.Highlands 32, Abilene Christian 20
Oklahoma St. 23, SW Missouri St. 20, OT
SW Texas St. 19, Grand Valley St. 14
Southern Meth. 17, Tulsa 10
Texas 40, Missouri 10
Texas Southern 42, Prairie View 24

FAR WEST

Air Force 45, San Jose St. 0
Arizona 23, Texas-El Paso 3
Boston College 24, Hawaii 21
Brigham Young 58, Arkansas St. 9
Cent. Michigan 42, Boise St. 21
Colorado 37, Washington St. 19
Colorado St. 61, Tn.-Chattanooga 19
N. Iowa 31, S. Utah 21
Oregon 30, Fresno St. 27, OT
Rocky Mountain 70, Black Hills St. 8
Utah St. 20, Utah 17
Wyoming 40, Idaho 38

CRICKET

SINGER WORLD SERIES
INDIA VS. ZIMBABWE
SUNDAY, IN COLOMBO

India innings: 229-3 (43.5 overs)
Zimbabwe innings 226 (49.4 overs)
India won by seven wickets.

SECOND ONE-DAY INTERNATIONAL
ENGLAND VS. PAKISTAN
SATURDAY, IN BIRMINGHAM

England innings: 292-8 innings closed
Pakistan innings: 185
England wins by 107 runs, leads series 2-0.

THIRD ONE-DAY INTERNATIONAL
ENGLAND VS. PAKISTAN
SUNDAY, IN NOTTINGHAM

Pakistan innings: 247-8 (49.4 overs)
England innings 246 all out (50 overs)
England won by two wickets and wins the series 2-1.

RUGBY UNION

FINAL TEST MATCH
IN JOHANNESBURG

South Africa 32, New Zealand 22

TRANSITIONS

BASEBALL
AMERICAN LEAGUE

BALTIMORE—Optioned RHP Jimmy Haynes and OF Brent Bowers to Bowie, EL.

BOSTON—Outrighted LHP Ken Grundt to Pawtucket, IL. Recalled SS Nomar Garciaparra from Pawtucket. Designated 1B Greg Pirkl for assignment and sent LHP Eric Gunderson outright to Sarasota, FSL.

CALIFORNIA—Traded C Don Slaught to Chicago for player to be named.

CLEVELAND—Activated 1B Julio Franco from 15-day disabled list. Put RHP Dennis Martinez on 15-day disabled list.

DETROIT—Extended contract of Buddy Bell manager through 1998. Recalled LHP Trever Miller from Toledo, IL.

MILWAUKEE—Bought contract of RHP Ramon Garcia from New Orleans, AA. Traded 3B Kevin Seitzer to Cleveland for OF Jeromy Burnitz.

N.Y. YANKEES—Acquired 3B Charlie Hayes from Pittsburgh for RHP Chris Corn. Optioned RHP Brian Boehringer to Norwich, EL.

OAKLAND—Called up OF Kerwin Moore from Edmonton, PCL. Outrighted OF Phil Plantier to Edmonton.

SEATTLE—Extended working agreement with Everett, NL for two years, through 2000.

THE WEEK AHEAD

MONDAY, SEPT. 2:

HOCKEY New York — World Cup, first round, United States vs. Russia.

TUESDAY, SEPT. 3:

CRICKET Colombo, Sri Lanka — Singer World Series, Sri Lanka vs. Zimbabwe.

HOCKEY New York — World Cup, first round, United States vs. Slovakia.

WEDNESDAY, SEPT. 4:

SOCCER Torshavn, Faeroe Islands — UEFA, World Cup qualifying, Group 6, Faeroe Islands vs. Spain; Buenos Aires — South American Super Cup, first round, Boca Juniors vs. Racing Club; Rome — Italian Cup, second round matches; Zabrze — exhibition, Poland vs. Germany.

THURSDAY, SEPT. 5:

GOLF Crans-sur-Sierre, Switzerland — European Masters, through Sept. 8. Oakville, Ontario (Canada) — Bell Canadian Open, through Sept. 8.

CRICKET Colombo, Sri Lanka — Singer World Series, India vs. Australia.

HOCKEY Montreal — World Cup, second round, North America Pool runner-up vs. Europe Pool third place.

FRIDAY, SEPT. 6:

HOCKEY Ottawa — World Cup, second round, Europe Pool runner-up vs. North America pool third place.

SATURDAY, SEPT. 7:

CRICKET Colombo, Sri Lanka — Singer World Series, Final.

SOCCER Rome — Italian Serie A, first round, through Sept. 8.

HOCKEY Philadelphia — World Cup, semifinal.

SUNDAY, SEPT. 8:

AUTO RACING Monza, Italy — Formula One, Italian Grand Prix.

CRICKET Colombo, Sri Lanka — Singer World Series, Final (reserve day).

HOCKEY Ottawa — World Cup, semifinal.

SOCCER San Salvador, El Salvador — World Cup qualifying, CONCACAF, semifinals, Group 2, Cuba vs El Salvador.

هكذا من الأصل

SPORTS

Tennessee Embarrasses UNLV

The Associated Press

With a chance to put up some big numbers against the overmatched University of Nevada at Las Vegas, Tennessee coach Phillip Fulmer chose to focus on one number that did not show up on the scoreboard.

Rather than try to accumulate passing yards for the Heisman Trophy hopeful Peyton Manning or rushing yards for tailback Jay Graham, Fulmer chose to run up only one number: the number of players who got into the game. At least 80 Volunteers played, including nine freshmen, as Tennessee beat UNLV, 62-3, Saturday night.

"From the beginning, the unselfish attitude of this team has been really pleasing, and tonight was a great example of it," Fulmer said. "We could obviously have run some big numbers up for Peyton, but he's the type of person to do the right thing for the team."

UNLV coach Jeff Horton said his team just didn't have the players to compete with the Vols. "We were outmanned, no question about it," he said. "When their linebackers and defensive linemen are running down your backs, that's a mismatch."

Manning threw for 298 yards and a touchdown, but played only one series in the second half. Graham scored two touchdowns, but carried only six times for 34 yards.

With a school-record crowd of 106,212 in newly expanded Neyland Stadium, the Vols jumped on the Rebels 35-3 by halftime and pulled further away with two touchdowns in the first 3 minutes, 17 seconds of the third quarter. The Vols gained 473 yards and scored twice on fumble recoveries. UNLV was held to 184 yards.

Marshall Mathews kicked a 24-yard field goal early in the second quarter for UNLV's only points. That capped a 15-play, 78-yard drive. UNLV's Jon Denton, a redshirt freshman making his first start, completed 19-of-37 for 128 yards with two interceptions. Carlos Baker caught nine passes for 40 yards for the Rebels.

No. 4 Florida 55, S.W. Louisiana 21 The Gators' defense set a school record with four touchdowns. Cornerback Fred Weary returned a fumble 64 yards and an interception 65 yards for two of the TDs. Danny Wuerffel was just 5-of-13 in the first quarter, as the Gators took a 7-0 lead.

"We gave Coach Stoops a game ball," Florida coach Steve Spurrier said, referring to new defensive coordinator Bob Stoops. "I don't know if we've ever had four defense scores around here at Florida. I think we've had four in the last four years."

No. 5 Colorado 37, Washington St. 19 Koy Detmer completed 20 of 33 passes for 254 yards, with TD passes of 7 yards to James Kidd, 43 yards to Chris Anderson and 25 yards to Herchell Troutman.

Detmer left in the third quarter after a 34-yard scramble left him winded. "Koy got so nervous before the game he

College Football

didn't eat anything, and when he made the long run he about passed out," Colorado coach Rick Neuheisel said. "He was light-headed, and that's why we didn't put him back in the game."

No. 8 Texas 40, Missouri 10 James Brown threw for two touchdowns as the Longhorns converted three turnovers into scores in a game delayed 45 minutes in the third quarter by lightning. Ricky Williams ran for 112 yards and two touchdowns on 14 carries for Texas.

No. 11 Miami 30, Memphis 7 Miami played without suspended starters Danyell Ferguson and Yital Green, but Magic Benton, replacing Green at wide receiver, returned a punt 67 yards for a touchdown and caught a 73-yard scoring pass.

Miami led 3-0 at halftime, but Booker Pickett blocked Drew Pairamore's punt. Two plays later, quarterback Ryan Clement ran it in from a yard out. Seventy seconds later, Benton went 67 yards on his punt return and Miami led, 17-0.

No. 12 Michigan 20, Illinois 8 Scott Dreisbach was 11-of-23 for 117 yards, including a 10-yard touchdown pass to Russell Shaw that put the Wolverines ahead, 17-8, early in the fourth quarter before a packed house of 105,992 in Ann Arbor.

Scott Weaver was 25-of-38 for 179 yards for the Illini.

No. 13 Alabama 21, Bowling Green 7 Freddie Kitchens' 53-yard pass to Calvin Hall set up Curtis Alexander's 1-yard TD run in the third quarter as the Crimson Tide opened with a sluggish performance.

Warren Foust, who briefly replaced Kitchens in the second quarter, threw a 6-yard scoring pass to Marcell West to put Alabama ahead, 14-0, with 2:20 left in the half.

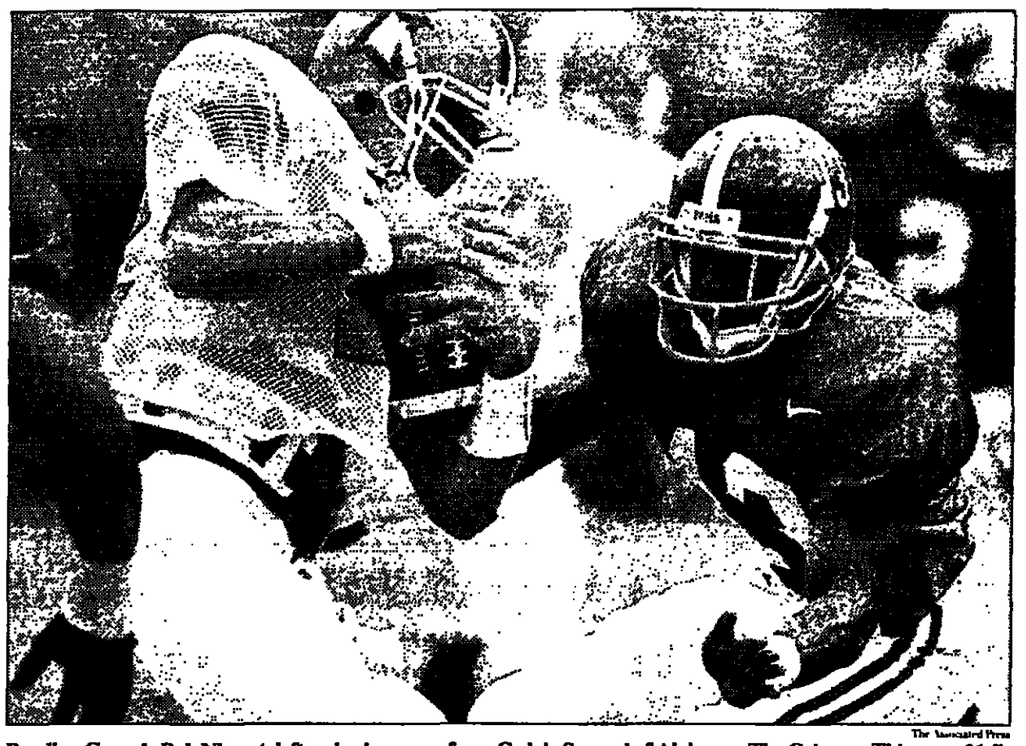
No. 16 Auburn 29, Alabama-Birmingham 0 Junior college transfer Jaret Holmes made all five of his field-goal attempts — including kicks of 46, 47 and 50 yards — to lead the Tigers over Division I-A newcomer Alabama-Birmingham.

Auburn did not score a touchdown until early in the fourth quarter, when Eric Hines-Tucker went in from 5 yards out for a 22-0 lead.

No. 19 BYU 58, Arkansas St. 9 Steve Sarkisian was 16-of-23 for 259 yards and played three quarters for Brigham Young.

The Cougars led 24-3 at halftime and Sarkisian struck 49 seconds into the third quarter with his final touchdown pass — a 69-yard bomb to K.O. Kealaluhi, who had 90 yards on his two receptions. Mark Atuaia ran for one touchdown and caught a pass for another for the Cougars.

No. 21 Kansas St. 21, Texas Tech 14 Brian Kavanagh threw for one touchdown and ran for another as the Wildcats survived a wild finish in the first Big-12 Conference game. The Red Raiders scored 11 points in the final 6:39 to pull within seven, but Zebbie Lethridge's fourth-down pass from the Kansas State 21 fell incomplete with 44 seconds left. Byron Hanspard had 115 yards on 21 carries for Texas Tech.



The Associated Press

Bowling Green's Bob Niemet, left, spinning away from Cedric Samuel of Alabama. The Crimson Tide won, 21-7.

Marlins Get One More on the Road

The Associated Press

Gary Sheffield hit a two-run homer Sunday, helping the Florida Marlins complete their most successful road trip of the season with a 6-1 victory over the Cincinnati Reds.

The Marlins won five of six on their road trip, including two of three at Riverfront Stadium. Florida is one of the National League's worst road teams at 24-45.

It was supposed to be a big day for Cincinnati, which honored former catcher Johnny Bench and former manager Fred Hutchinson before the game by displaying replicas of their jerseys in the outfield.

Instead, the Reds failed to find their range against starter Mark Hutton (3-1) and helped the Marlins pull away with sloppy play. Reliever Hector Carrasco failed to properly cover home plate on his wild pitch, allowing two runs to score in the sixth inning.

Pirates 9, Astros 5 Jermaine Allensworth's go-ahead two-run single keyed a six-run seventh inning for the Pirates in Pittsburgh.

Jeff King, Carlos Garcia and Al Martin hit solo homers off Danny Darwin (9-11), who couldn't hold a 4-3 lead and remained winless in three starts since he was traded by the Pirates on July 23.

Expos 7, Padres 6 Cliff Floyd, who entered the game when Henry Rodriguez became ill, homered and drove in three runs to lift Montreal over visiting San Diego.

Floyd entered the game as a pinch hitter in the first when Rodriguez left

Baseball Roundup

with an upset stomach. He led off the fourth with a homer off Astros starter Andy Ashby (8-3), doubled in another run during Montreal's five-run sixth, and had a sacrifice fly in the seventh that put the Expos ahead 7-1.

But the Padres rallied with four runs in the eighth and pulled to 7-6 in the ninth on Steve Finley's leadoff homer. After giving up Finley's 22nd homer, Mel Rojas closed out the Padres for his 27th save this season and 100th of his career.

In the American League:

White Sox 4, Blue Jays 2 Tony Phillips scored the winning run on shortstop Tomas Perez' error in the 11th inning as Chicago won on the road in Toronto.

Phillips and Dave Martinez started the 11th with back-to-back walks off Paul Spoljaric (2-1), and Mike Timlin hit Frank Thomas on the arm to load the bases.

Harold Baines then hit a hard grounder right at Perez. The ball deflected off his glove and through his legs, allowing Phillips to score. Martinez scored on Timlin's wild pitch and one out later Danny Tartabull hit a sacrifice fly for a 4-1 White Sox lead.

Royals 3, Tigers 2 Tom Goodwin singled in the go-ahead run with two outs in the 13th inning to send Kansas City past the Tigers in Detroit.

Jose Offerman drew a two-out walk in the 13th against Mike Myers (0-5) and stole second before Goodwin grounded his RBI single to right.

Twins 6, Brewers 2 Rich Becker went 4-for-5 with three RBIs and Scott Aldred won his third straight decision as Minnesota won in Milwaukee.

Becker had three singles and a solo homer. Chuck Knoblauch also homered for the Twins.

Aldred (6-7) went eight innings, giving up nine hits and tying his career high with eight strikeouts.

Banking on an Unknown Commodity

Companies Are Betting Tiger Woods Will Draw Minorities to Golf

By David Segal
Washington Post Service

If Tiger Woods were a start-up company, he would be the most-hyped stock to hit the market in years.

Days after winning an unprecedented third-consecutive U.S. amateur golf championship, the 20-year-old from Cypress, California, turned professional and began accepting endorsements. Soon after, Woods was one of the country's best-paid athletes, signing contracts with Nike Inc. and Titleist that his agent said were worth roughly $60 million over five years.

But many sports-marketing specialists say investing in Woods is hardly risk free. He has the talent to become a leading figure in pro tournaments, they say, but over the years a handful of players have been touted as the next Jack Nicklaus, only to wilt under the pressure that comes with being so anointed.

Ever heard of Eddie Pearce?

"About 20 years ago, Pearce was a teen-age prodigy, was winning a lot of tournaments and was supposed to make a fortune on the tour, but he never amounted to much," said Bob Williams, president of Burns Sports Celebrity Service, a Chicago sports-marketing firm. Pearce left the game in 1980, sold cars for a decade and then tried a less-than-successful comeback in 1990.

"Golf is funny because you can lose it as fast as you get it," Williams said. "Tiger has shown he's a clutch amateur player, but it's a different game as a professional."

Woods was not in a position [illegible]day to win the Greater [illegible]waukee Open, his profes[illegible]l debut. After a two-[illegible]r 73 on Saturday, he [illegible] four-under 209. Third-round leader Jesper Parnevik was at 19-under 194.

Still, Woods could prove to be a heaven-sent arrival for golf, which has been trying to shed its country-club image and embrace diversity.

Woods's backers are hoping that the Stanford University junior — who is part Thai, part black — will not just make history on the links, but will help alter the widespread sense that golf is a game for middle-aged executives in whale-patterned pants.

In so doing, Woods could help golf reverse its sagging participation rates and reap millions of dollars for companies looking to capture more of the $2.1 billion golf apparel industry.

"We believe that he is the future of the game and that he could change the way people think of golf," said Merle Marting at Nike's golf division. "He's going to bring minorities to the game and youth to the game. He's going to transcend the game the way that Michael Jordan transcends basketball."

Since 1994, participation in golf has remained flat, at about 25 million players. Nearly half of all rounds are played by people over 50, and most of the players are white, according to the National Golf Foundation, a non-profit organization based in Jupiter, Florida. Currently, just 3.2 percent of golfers are black.

These numbers explain why many sports marketers believe that Woods's impact will be measured in more than just dollars.

"Golf's potential growth among minorities is something that people in the industry have been forecasting and planning for a while," said Brad Hunt, a sports agent with Gold Medal Management in Boulder, Colorado. "The hope is that Woods convinces a lot of blacks and young people that there are role models for them in this game."

A number of national golf organizations — including the Professional Golf Association, the United States Golf Association and the Ladies Professional Golf Association — have started minority outreach programs in recent years. Meanwhile, public fairways are becoming easier to find. Eighty percent of the nation's courses are open to the public, the National Golf Foundation said.

For its advertising campaign for Woods, Nike is playing off golf's heritage as a fusty, whites-only game. In one television spot, Woods ticks off his achievements and then notes that he still cannot play on some golf courses because of his skin color.

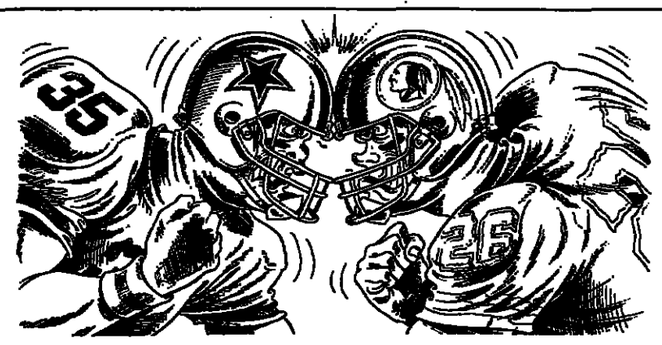
"I'm told I'm not ready for you," he says. "Are you ready for me?"

The edge and attitude are classic Nike, although Marting said the point was to attract its core buyers to the tees.

"If you look at game participation, you see the greatest participation in the 50-plus market," she said. "Our franchise consumer skews the other way, so we're hoping to invite young golfers to the game through Tiger."

Nike is apparently willing to spend lavishly on that invitation.

Some agents believe that could be money well spent even if Woods does not light up the tour. Players can earn their keep simply by attracting TV cameras and providing air time for the corporate logos stitched onto their shirts.



BET ON THE GAMES OVER THERE, OVER HERE

Great news for American Football addicts starved of betting opportunities. City Index Sports are taking bets on the NFL. Not just any bet, but a spread bet. For a kick off it's far more flexible than conventional betting, so you get a real sporting chance.

You can gamble on the performance of a team. Alternatively, on the total number of points scored during a game, or an individual player's points.
You can even bet on how many times the chain gang comes on.
The permutations are endless. The more it goes your way, the more you win (the reverse applies when you lose). Spread betting doesn't stop when the action starts. Uniquely, you can place bets during the game.
Change your mind, change your bet. Try doing that in Vegas. Also you can track our spreads on CNBC TEXT Page 191, Reuters Page BETS and Bloombergs Page CDEX. So if you're a fan of the Cowboys, Redskins or any NFL team, when it comes to spread betting, we are in a league of our own.

For more information and your free guide to spread betting, call City Index Sports on +44 171 480 5685. Or fill in and fax the coupon

NB. Spread betting can be very volatile. Prices may move rapidly against your interests and resulting losses may require further payments to be made. Only speculate with money you can afford to lose. Spread betting may not be suitable for all investors; therefore ensure that you fully understand the risks involved and seek advice if necessary.

CITY INDEX
THE ONLY WAY TO PLAY
City Index Limited, Cardinal Court, 23 Thomas More Street, London E1 9YY
Tel: +44 171 480 5685 Fax: +44 171 283 9619

To: City Index Limited, Cardinal Court, 23 Thomas More Street, London E1 9YY, England.
Please send me more information on spread betting on the NFL
Name
Address
Postcode
Tel: Day Evening
CODE 150



A two-month trial subscription.

Save up to 60%

By maintaining a far-flung network of news-gathering resources, the World's Daily Newspaper brings you unrivalled coverage of world politics, business and economics, as well as science, technology, travel, fashion, the arts and sport — all from an international perspective.
Take advantage of this limited opportunity to try the International Herald Tribune with a low cost, 2-month trial subscription and enjoy delivery to your home or office every morning.

COUNTRY/CURRENCY		2 MONTHS NEWSTAND PRICE	2 MONTHS OFFER PRICE	DISCOUNT OFF COVER PRICE
AUSTRIA	ATS	1,456	650	55%
BELGIUM	BEF	3,380	1,350	60%
DENMARK	DKK	780	360	54%
FINLAND	FIM	624	310	50%
FRANCE	FF	520	210	60%
GERMANY*	DEM	182	72	60%
GREAT BRITAIN	£	47	22	53%
GREECE	DR	18,200	9,100	50%
IRELAND	IRC	52	26	50%
ITALY	ITL	145,600	58,000	60%
LUXEMBOURG	LFR	3,3800	1,350	60%
NETHERLANDS	NLG	195	78	60%
NORWAY	NOK	832	390	53%
PORTUGAL	ESC	11,960	5,000	58%
SPAIN	PTAS	11,700	5,000	57%
SWEDEN	SEK	832	350	58%
SWITZERLAND	CHF	166	66	60%
ELSEWHERE	$	—	50	—

* For information concerning hand delivery in major German cities call toll free IHT Germany at: 0130-84 85 85 or fax (069) 175 413.

Yes, I would like to start receiving the International Herald Tribune. 1-9-96
☐ My check is enclosed (payable to the IHT)
☐ Please charge my:
☐ Amex ☐ Diners Club ☐ VISA ☐ Access ☐ MasterCard ☐ Eurocard
Credit card charges will be made in French Francs at current rates.
Card No: Exp. Date:
Signature:
For business orders, indicate your VAT No:
(IHT VAT Number FR7473021126)
Mr/Mrs/Ms Family Name:
First Name: Job Title:
Mailing Address:
City/Code:
Country:
Home Tel No: Business Tel No:
E-Mail Address:
☐ I do not wish to receive information from other carefully screened companies
Mail or fax to: International Herald Tribune
181, avenue Charles de Gaulle, 92521 Neuilly Cedex, France.
Fax: (+33 1) 41 43 92 10
OR CALL (+33 1) 41 43 93 61
In Asia, call: (+852) 29 22 11 88.
In the USA, call toll-free: 1-800-882-2884.
E-Mail Nos: subs@ihtparis.attmail.com
Offer valid for new subscribers only. HA2M

WORLD ROUNDUP



Vincenzo Pinto/Reuters

Michael Doohan of Australia celebrating his victory Sunday in the Imola Grand Prix.

Doohan Triumphs

MOTORCYCLING Michael Doohan moved closer to clinching a third straight 500cc motorcycling world championship Sunday by winning the rain-shortened Imola Grand Prix.

A sudden storm hit Imola, Italy, which was hosting its first Grand Prix race in eight years, during the 17th of 25 laps around the 4.9-kilometer (3-mile) track. Doohan, riding a Honda, raised his hand to indicate that conditions merited the event be called off, as the leader may do once two-thirds have been completed. After a few seconds, judges called for the waving of a red flag, ending the race.

In the 250cc class, reigning world champion Max Biaggi, riding an Aprilia, slid off the track on the 11th of 23 laps. The Italian was unhurt, but the mishap allowed Ralph Waldman of Germany, on a Honda, to win his fourth race of the season, cutting Biaggi's overall championship lead to 12 points with three races left.

Masaki Tokudome of Japan, also on an Aprilia, captured the 125cc, his fourth triumph of the season. *(AP)*

Israel Upsets Bulgaria

SOCCER Israel upset 1994 World Cup semifinalist Bulgaria on Sunday, 2-1, in a qualifying match for the 1998 Cup. England cruised past Moldova, 3-0.

In the second upset in two days after Azerbaijan's 1-0 victory over Switzerland, the Israelis went a goal down after two minutes but hit back to win. After Krassimir Balakov had scored for Bulgaria with a penalty, Israeli captain Tal Banin set up an equalizer for Ronen Harazi in the 34th minute and then scored the winner himself from the penalty spot in the 62nd.

In other qualifying games Sunday, Russia overpowered Cyprus, 4-0, in Group 9, and Greece made it two victories out of two by downing Bosnia-Herzogovena, 3-0, in Group 1. *(AP)*

A Hole-in-One for Woods

GOLF Tiger Woods, playing in his first PGA Tour event as a professional, shot a hole-in-one Sunday on the 188-yard 14th hole in the final round of the Greater Milwaukee Open.

Woods had selected a 6-iron on the par-3 hole. As the ball dropped, the crowd, lining the hole from tee to green, went wild.

Woods parred the final four holes for a 3-under-par 68 for the round and a 7-under-par 277 for the tournament, with most of the field still on the course. *(AP)*

No Place Like Home for Ravens

Testaverde Keys Baltimore's Victory Over Raiders

The Associated Press

Even the brilliant Johnny Unitas might not have been able to do what journeyman Vinny Testaverde did as the National Football League returned to Baltimore on Sunday.

Testaverde ran 9 yards for one touchdown and scrambled 12 yards to set up the winning score as the Baltimore Ravens began life outside Cleveland with a 19-14 triumph over the Oakland Raiders, the team that opened the NFL's franchise free-agency era.

The victory by the Ravens was the crowning moment of a day of celebration welcoming the NFL back to Baltimore, 13 seasons after the Colts left for Indianapolis. The crowd was raucous all day, and at one point in the fourth quarter, referee Dale Hamer had to implore the people running the public address system to stop playing music while the Raiders were huddling. Unitas, the former Colts great, was honored.

But until Testaverde guided an 82-yard, eight-play drive that led to Earnest Byner's 1-yard touchdown run with 7 minutes, 50 seconds left, there was little to cheer about for the sellout Municipal Stadium crowd.

After Testaverde scrambled in for the first touchdown in Ravens' history at the end of an 85-yard drive, the Ravens offense largely shut down.

Billy Joe Hobert, subbing for the injured Jeff Hostetler, completed TD passes of 7 and 10 yards to Tim Brown to give Oakland a 14-7 halftime lead.

Baltimore went to a no-huddle offense in the third quarter, but could do no better than 25- and 37-yard field goals by Matt Stover. But with 12 minutes left and the ball at their 17, the Ravens began to move. Testaverde, who was 19 of 33 for 254 yards and ran for 42 yards, had consecutive completions of 27 yards to Michael Jackson and 25 to Earnest Hunter. Then, after Carwell Gardner ran twice for 9 yards, Testaverde scrambled for 12 to the 5.

Eagles 17, Redskins 14 Rodney Peete, playing with a brace on the left knee he sprained two weeks ago, threw for 269 yards and two touchdowns in Philadelphia's victory, their eighth consecutive triumph over their NFC East rivals.

Peete (20-for-34) picked the secondary apart in the first half, completing passes to nine different receivers who were left wide open. The Redskins (0-1) made successful halftime adjustments, but they came too late.

Newly acquired Irving Fryar caught five passes for 84 yards and strolled unfettered into the end zone to make an 18-yard scoring catch on the game's opening drive.

Chiefs 20, Oilers 19 Kansas City got two first-half touchdown passes from Steve Bono and then held off Houston's late challenge.

In the fourth quarter, the Oilers scored on a 22-yard field goal by Al Del Greco, his fourth of the game, with 3:41 to go to cut the Chiefs' lead to one point. Moments later, Ronnie Harmon blocked Louis Aguiar's punt, giving Houston a chance for victory at the Kansas City 34. But Anthony Davis tackled Harmon in the backfield on third down and Chris Chandler's fourth-down pass deflected off the fingertips of Derek Russell with 2:02 left in the game.

Colts 20, Cardinals 13 Eugene Daniel, the 35-year-old Indianapolis cornerback, broke up two desperation end-zone passes in the closing seconds as the Colts held off Arizona.

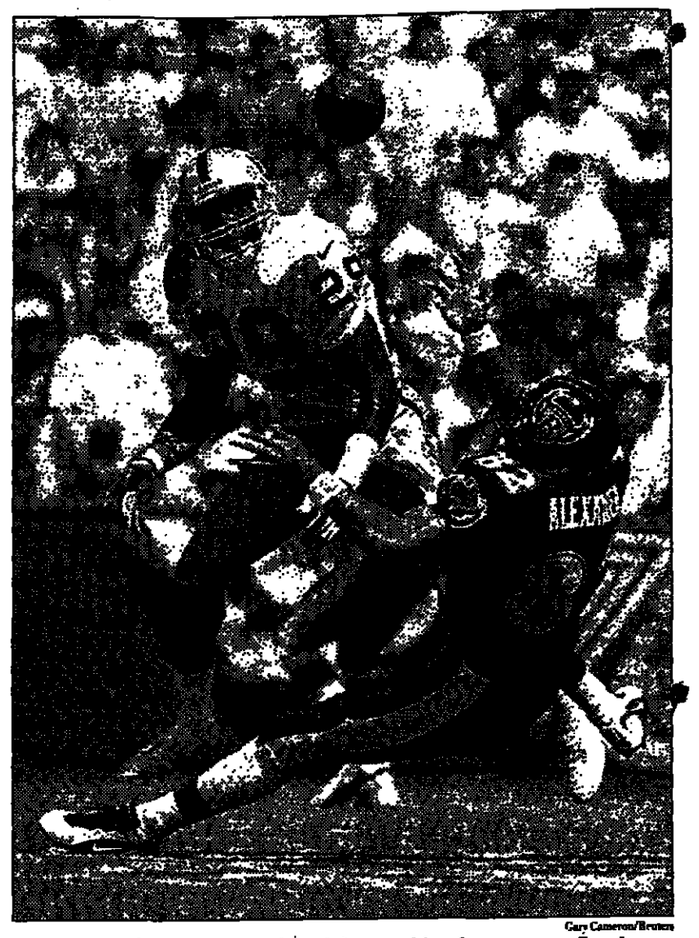
The Cardinals, who scored on a 2-yard run by Boomer Esiason with a minute to go, got the ball back with the recovery of an onside kick. Esiason, who came to Arizona from the Jets as a free agent, hit four straight passes as the Cardinals reached the Indianapolis 22 with 15 seconds to go.

But Daniel, who had off-season surgery for a shoulder injury, knocked the ball out of the hands of Rob Moore as Esiason went for a tying touchdown in the left corner of the end zone. Another long pass to Frank Sanders fell incomplete, and the final pass to Moore was broken up again by Daniel in the end zone as time ran out.

Jaguars 24, Steelers 9 Mark Brunell ran a conservative but efficient offense, throwing two TD passes and completing eight of 13 passes in third-down situations to lead Jacksonville to victory.

The Jaguars put the game away when rookie linebacker Kevin Hardy, the No. 2 pick in the draft, stepped in front of Mike Tomczak' pass for an interception. James Stewart scored on a 1-yard run for a 24-9 lead with 4:49 remaining.

Panthers 29, Falcons 6 Kerry Collins threw for 198 yards and two touchdowns to help Carolina open Ericsson Stadium with a victory over Atlanta. It was the highest-scoring day in the franchise's 17-game history. John Kasay added five field goals.



Gary Cameron/Reuters

The Ravens' Derrick Alexander, right, reaching for a pass on Sunday.

Edberg Keeps Quest Alive With a Straight-Sets Victory

The Associated Press

NEW YORK — A stiff breeze whipped the flags above the stadium, wary fans worried about a hurricane heading toward New York, yet the serene Swede, Stefan Edberg, stayed calm as ever Sunday in his self-proclaimed final U.S. Open tournament.

Even when caught out of position, as Edberg was at set point in a tiebreaker, he scampered youthfully across the court, chased down a volley and ripped a forehand winner in one of the highlights of a 6-4, 7-6 (7-4), 6-1 victory over Paul Haarhuis of the Netherlands.

Too often, though, the brilliant shots were offset by mediocre ones, and Edberg knew he would have to raise his game to have a chance at a third title here in his 54th consecutive — and last — Grand Slam event.

"I hit some lousy balls," said Edberg, happy with the victory but less than satisfied with his performance. "I thought I could get to the second week. Now I'm into the second week. Anything can happen."

Fourth seeded Goran Ivanisevic of Croatia also advanced to the fourth round Sunday with a 6-3, 6-2, 7-6 (13-11) victory over Hendrik Dreekman of Germany. Guy Forget of France beat Sjeng Schalken of the Netherlands, 6-2, 7-5, 4-6, 4-6, 6-0.

In reaching the round of 16, Edberg surpassed his showings in his last three visits to the U.S. Open — third-round losses the past two years and a second-round exit in 1993 after winning the title in 1991 and 1992. "It's still such a long way to go," Edberg said of his chances of winning here again. "The way I'm playing, I definitely have a chance. It's good to be through three matches. There haven't been any long matches. At the moment I feel good about my game.

U.S. OPEN

"There's been more emotion the last couple of years. I feel excited being out there. It's such a great feeling. I need to be fired up, feel the tension to play good tennis."

Edberg, who at 30 is a month older than the journeyman Haarhuis, will play next against the winner of the match between No. 12 Todd Martin and Tim Henman.

Haarhuis fantasized about upsetting Edberg and taking a place in tennis trivia: "I would have liked to beat him and finish his Grand Slam career here."

Haarhuis, though he admires Edberg, also said the Swede would have to find some of his old speed and steadiness to go much farther in the tournament. "I didn't think he was all that good," Haarhuis said. "I played very poorly."

If Edberg reaches the quarterfinals, he may find himself facing one of the biggest left-handed servers in the game: Ivanisevic.

Monica Seles, a finalist last year in her first U.S. Open since she won in 1991 and 1992, before she was stabbed, struggled a little to reach the quarterfinals with a 7-5, 6-0 victory Sunday over Sandrine Testud of France. Testud broke the second-seeded Seles early and served for the first set at 5-4, only to be thwarted the way so many players have been at crucial points in matches against Seles over the years.

Two points from winning the set at 30 all, Testud slapped a forehand into the net, then watched helplessly as Seles drove a forehand crosscourt past her.

Seles held serve after two deuces, then broke Testud again, this time at love. Cruising now, Seles completed a run of nine straight games to close out the match. "I was not finding my timing," Seles said of her slow start. "Then I started moving better and making fewer mistakes."

Her left shoulder, which may require surgery after the Open, is still troubling her, especially on serves. Seles realizes her opponents are aware of her difficulties. "They know," she said. "I try to mix it up. I'm trying not to think about my shoulder for these two weeks."

Fourth-seeded Conchita Martinez moved easily into the quarterfinals with a 6-2, 6-1 victory over Asa Carlsson.



Osamu Honda/The Associated Press

Monica Seles hitting a return Sunday in her victory over Sandrine Testud.



Michael Urban/Reuters

Damon Hill, shown before a practice run for the 1996 European Grand Prix earlier this year.

Williams-Renault Won't Renew Contract With Hill

Compiled by Our Staff From Dispatches

LONDON — Damon Hill's future in Formula One racing was uncertain Sunday after the British driver's manager, Michael Breen, said the Williams-Renault team had decided not to sign Hill for next season.

Breen said Hill, who is on the verge of winning his first world drivers' title, was "very surprised and disappointed by the news."

Breen said that Frank Williams, the team's owner, decided last Wednesday to break off negotiations on a new contract. Williams said the problem was not financial, but declined to give any other reason, Breen said.

Hill, 35, would still be willing to re-enter negotiations about driving for Williams next season and would concentrate on winning the remaining three races this season for his team, Breen added.

Hill leads the drivers' standings by 13 points and could clinch the title at Monza, Italy on Sunday.

"Damon is going on to clinch the drivers' title as much for the Williams organization as for himself," Breen said. "Damon is grateful for the support and encouragement he has received from the entire Williams group — from all the staff at their manufacturing base, his engineers and pit team and, of course, Patrick Head and Frank himself."

Williams said a replacement for Hill would "be made known in due course." But many in the Formula One world speculated that Williams would sign the promising German driver, Heinz-Harald Frentzen, now with Sauber-Ford.

Williams has been linked with Frentzen ever since the death of Ayrton Senna in 1994. Some reports suggested the German driver had already signed a contract for 1997 with Williams at the end of last season.

Frentzen has not won a Grand Prix but is believed to be a driver of considerable potential. It also is thought that Williams is keen to use BMW engines in 1998 when the team's current deal with Renault ends.

Breen indicated that because the differences with Williams did not appear to be financial, the only obstacle had been that the team owner had already committed himself to another driver.

"Personally, I think we could have done a deal if there was a deal to be done," Breen said.

Some sources said Hill was talking with Jordan-Peugeot and the new Grand Prix team being set up by Jackie Stewart. "I wouldn't be doing my job if I had not already been looking for the best fit for Damon in 1997," Breen said. "He's created tremendous interest all season, so discussions are under way to find the most attractive fit where he will be both happy and appreciated for the next few seasons."

Breen pointed to Hill's excellent record with Williams, which has included 20 Grand Prix victories, 19 fastest laps and 18 pole positions. "Those facts speak for themselves and I am sure that many team owners will be interested in taking him on," said Breen.

Breen said Hill, who was at his home in Ireland resting between testing and preparing for the Italian Grand Prix, would discuss his parting with Williams in Monza on Thursday.

Williams has a history of parting with world champions. Nelson Piquet, Alain Prost and Nigel Mansell have all left after securing the title.

(AFP, AP, Reuters)



With AT&T you can place calls to the U.S. (and to over 210 countries) on your own. Quickly and easily. Just take out your calling card, dial the AT&T Access Number for the country you're in, and you'll be connected to an English-speaking operator or voice prompt within seconds. If the news is good, you'll be the first to know. Fast, easy calling worldwide. *That's Your True Choice.℠ AT&T.*

EUROPE

Armenia●▲	8◆14111
Austria●○	022-903-011
Belgium●	0-800-100-10
Bosnia▲	00-800-0010
Bulgaria■	00-800-0010
Croatia■	99-385-0111
Czech Republic●	00-42-000-101
Denmark	8001-0010
Finland●	9800-100-10
France	19-0011
Germany	0130-0010
Gibraltar■	8800
Greece●	00-800-1311
Hungary●	00◆800-01111
Iceland●	800 9001
Ireland	1-800-550-000
Italy●	172-1011
Lithuania■	8◆196
Luxembourg	0-800-0111
Macedonia, F.Y.R.●○	99-800-4288
Monaco●	19-0011
Netherlands●	06-022-9111
Norway	800-190-11
Poland●▲	0◆0-800-111-1111
Portugal▲	05017-1-288
Romania●	01-800-4288
Russia●▲(Moscow)▷	755-5042
Slovak Rep.●▲	00-42-000-101
Spain○	900-99-00-11
Sweden	020-795-611
Switzerland●	0-800-559011
Turkey●	00-800-12277
Ukraine▲	8◆100-11
United Kingdom▲	0800-89-0011

MIDDLE EAST

Bahrain■	800-001
Cyprus●■	080-90010
Egypt●(Cairo)†	510-0200
Israel	177-100-2727
Jordan■	18 800 000
Kuwait■	800-288
Lebanon (Beirut)★†■	426-801
Qatar■	0800-011-77
Saudi Arabia◇	1-800-10
Syria	0-801
U. Arab Emirates●■	800-121

AFRICA

Gabon●	00◆001
Gambia●	00111
Ghana	0191
Ivory Coast●	00-111-11
Kenya▲	0800-10
Liberia	797-797
Morocco■	002-11-0011
Sierra Leone	1100
South Africa	0-800-99-0123
Zambia■	00-899
Zimbabwe▲	110-899

AMERICA

Argentina■	001-800-200-1111
Bolivia●	0-800-1112
Brazil	000-8010
Canada■	1-800-225-5288
Chile	800-800-311
Colombia	980-11-0010
Costa Rica●■	0-800-0-114-114
Ecuador●▲	999-119
El Salvador○■	800-1785
Guatemala○	190
Mexico▽■	95-800-462-4240
Nicaragua■	174
Panama●■	109
Peru▲■	171
Venezuela●■	800-11-120

AT&T
Your True Choice

AT&T Access Numbers for countries in the Asia/Pacific region are listed daily in the Asian edition of the International Herald Tribune.

Fastest connections from countries with voice prompts computed to major U.S. carriers on calls to the U.S. Automated calling service available from all countries or phones. Read-faxed countries permit country-to-country calling outside the U.S. Collect calling is available to the U.S. only. Country-to-country rates consist of the cost of a call to the U.S. plus an additional charge based on the country you are calling. You can call the U.S. from all the countries listed above. ●Public phones require deposit of coin or phone card for dial tone. †Dial "02" first, outside Cairo. †Dial "01" first, outside Beirut only. ‡Additional charges apply when calling outside Moscow. ▲Limited availability. ◆Collect calling only. ○Public phones require local coin payment during call. ◇Not available from public phones. ◆Await second dial tone. ▽When calling from public phones, use phones marked "Ladatel." ▷Calling available to designated countries. ■Country-to-country calls can only be placed in this country. ©1996 AT&T.

هكذا من الأصل